



---

# ***Daily Report***

# **China**

FBIS-CHI-90-145  
Friday  
27 July 1990

# Daily Report

## China

FBIS-CHI-90-145

### CONTENTS

27 July 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

TNC Negotiations on Uruguay Round Reported [XINHUA]	1
UNDP To Provide Emergency Relief for PRC [XINHUA]	1
Delegation Heads to Asiad Arrive for Visit [XINHUA]	2
No Mention of Weekly Foreign Ministry Briefing	2

##### United States & Canada

U.S. Position on Cambodian Issue Viewed [Hong Kong TA KUNG PAO 27 Jul]	2
Commentary Views U.S. Latin American Initiative [RENMIN RIBAO 26 Jul]	3

##### Northeast Asia

Li Ruihuan Meets Former Japanese Minister	4
Criticizes Zhao Ziyang [Tokyo TV]	4
Discusses State Reform [XINHUA]	4
Wu Xueqian Comments on Changes in East Europe [Tokyo KYODO]	4
Party Workers' Delegation Leaves for DPRK [XINHUA]	5
Japanese Bank Resumes Loans to Xiamen [CEI Database]	5
First Batch of Tianjin Cement Exported to Japan [XINHUA]	5

##### Near East & South Asia

Qian Qichen Meets Moroccan Counterpart [XINHUA]	5
New Israeli Cabinet Viewed [JIEFANGJUN BAO 2 Jul]	6

##### Sub-Saharan Africa

Seychelles Minister To Visit PRC 28 Jul-6 Aug [XINHUA]	7
Beninese Prime Minister Appreciates PRC Aid [XINHUA]	7
Zhu Liang Meets African Socialist Official [XINHUA]	7
Wu Xueqian Meets Zambian Prime Minister [XINHUA]	7
Zambian Premier Ends Visit [XINHUA]	7

##### West Europe

Britain's Maude Concludes PRC Visit 26 Jul	8
Urges Improved Human Rights [Hong Kong SOUTH CHINA MORNING POST 27 Jul]	8
Foreign Secretary Hurd To Visit PRC [KYODO]	9
Meets With Li Peng 25 Jul [Beijing Radio]	9
Li Ruihuan Meets Swiss Labor Party Chief [XINHUA]	9

##### East Europe

XINHUA Analyzes GDR Coalition Crisis	9
Yugoslav Official Hails 'Wise' Policy of Deng [XINHUA]	10
Xu Xin Meets Vacationing CSFR Army Officers [XINHUA]	10
Shanghai Garrison Commander Fetes CSFR Delegation [Shanghai Radio]	10

## NATIONAL AFFAIRS

### Political & Social

JINGJI RIBAO Under State Council Control [ZHONGGUO XINWEN SHE] .....	11
Beijing Sources Say Release of Dissidents Likely [Hong Kong SOUTH CHINA MORNING POST 27 Jul] .....	11
Jiang Zemin Inspects Guangzhou Military Region [JIEFANGJUN BAO 30 Jun] .....	11
Further on Li Ruihuan Remarks at Prize Ceremony [XINHUA] .....	13
Li Ruihuan Greets Forum on Ideology in Art [XINHUA] .....	14
Li Ruihuan Speech at Family Planning Forum [XINHUA] .....	14
Qiao Shi Meets Xinjiang Weather Station Workers [XINHUA] .....	16
Report on Party Building, Relations With Masses [Hong Kong LIAOWANG OVERSEAS EDITION 2 Jul] .....	17
Forum Views Progress in Discipline Inspection [XINHUA] .....	19
Song Jian Calls For Maintaining Nature Reserves [XINHUA] .....	20
Provisions on Crimes Involving Obscene Materials [XINHUA] .....	20
Five Million Seek To Change Nationality Identity [CHINA DAILY 27 Jul] .....	21

### Military

PLA Air Force Supports State, Local Construction [XINHUA] .....	22
Marshal Stresses Party Leadership Over Army [XINHUA] .....	23
Naval Units Achieve 'New Level' in Training [XINHUA] .....	23

### Economic & Agricultural

Official Urges Improving Tech Transfer Market [CHINA DAILY 27 Jul] .....	24
State Orders Clampdown on Illicit Asset Sales [Hong Kong HONGKONG STANDARD 26 Jul] ....	24
Enterprises Revive Use of 'Special Connections' [JINGJI CANKAO 2 Jul] .....	25
Consumer Market Remains in 'Predicament' [JINGJI CANKAO 6 Jul] .....	26
Preferential Policies for Small Enterprises [JINGJI CANKAO 10 Jul] .....	28
Greater Efforts Required Despite Bumper Harvest [JINGJI CANKAO 28 Jun] .....	29

## REGIONAL AFFAIRS

### East Region

Mao Zhiyong Stresses Socialized Services [XINHUA] .....	31
Shandong Power Plant Construction Begins [Jinan Radio] .....	31
Sewage Plant Built With Austrian Loans [Jinan Radio] .....	31
Shandong Economic Area Shows 'Initial Success' [XINHUA] .....	32
Shanghai Develops 'Supercritical Condenser' [XINHUA] .....	32
Zhejiang Enterprise Discipline Meeting [ZHEJIANG RIBAO 9 Jul] .....	32

### Central-South Region

Lin Ruo on Plans for Nonparty Appointments [Guangzhou Radio] .....	33
Guangdong Retail Price Index Falls [Guangzhou Radio] .....	33
Guangdong Meeting on Protecting Military Bases [Guangzhou Radio] .....	34
Hubei Meeting on Handling Corruption Cases [Wuhan Radio] .....	34
Hubei Holds Forum on Banning Pornography [Wuhan Radio] .....	34
Hunan's Xiong Qingquan Views United Front Work [Changsha Radio] .....	34

### Southwest Region

Guizhou Efforts in Combatting Economic Crimes [Guiyang Radio] .....	35
Progress in Tibet Economic Development Viewed [RENMIN RIBAO 21 Jul] .....	35

### North Region

Beijing Economic Situation Improves [Beijing Radio] .....	36
Beijing To Check Exhaust Pollution [XINHUA] .....	36

### Northwest Region

Ningxia CPC Committee Studies Marxist Theory [NINGXIA RIBAO 2 Jul] .....	36
Zhang Boxing Calls for Reform, Opening Up [Xian Radio] .....	37
Religious Problems Noted at Xinjiang Plenum [Urumqi TV] .....	38
Tomur Dawamat on Unity [Urumqi TV] .....	38
Janabil Addresses Plenum [Urumqi TV] .....	39
Xinjiang's Role in State Economy Viewed [RENMIN RIBAO 21 Jul] .....	39

### PRC MEDIA ON TAIWAN AFFAIRS

Taiwan, Mainland Officials Exchange Views [Beijing International] .....	41
Taiwan's Diplomatic Efforts Criticized [RENMIN RIBAO OVERSEAS EDITION 25 Jul] .....	41
PRC, Taiwan Entrepreneurs Meet in Beijing [Beijing International] .....	42
Chen Xitong Meets Taipei Olympic Official [XINHUA] .....	42

### TAIWAN

Draft Law on 'Private' Relations Made Public [Taipei International] .....	43
Cabinet Approves Tariff Reduction on 8 Items [CNA] .....	43
Buying Uranium From Mainland Ruled Out [CNA] .....	43
Premier Vows To Promote Public Construction [CNA] .....	43
Aviation Accord With Austria Ratified [CNA] .....	43



## General

### TNC Negotiations on Uruguay Round Reported

OW2707015390 Beijing XINHUA in English  
0133 GMT 27 Jul 90

[Text] Geneva, July 26 (XINHUA)—The four-day meeting of the Trade Negotiations Committee (TNC), the governing body that oversees the Uruguay Round of Multilateral Trade Negotiations, ended here Thursday with both developed and developing countries expressing their determination to make the round a success.

Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), under which auspices the Uruguay Round is being conducted, said that all negotiators felt the need for the round to succeed because the dependence of all countries on international trade as a source of growth and development could only increase.

"None of us can afford the disruption in the flow of goods, services and investment that failure (of the round) would entail," he said.

Dunkel indicated, however, that the negotiation process is behind schedule and it must be intensified in its final phase.

The Uruguay Round, launched at the Punta del Este, Uruguay in September 1986, is expected to conclude with a meeting of trade ministers in Brussels, Belgium December 3-7 this year, in which the final package of trade-liberalization agreements is expected to be adopted. But differences remain on a number of substantive issues after three and a half years of negotiations.

Developing countries, at the last day of the TNC meeting, expressed their "frustration and disappointment" at the lack of substantive results at the meeting.

Ambassador Rubens Ricupero, Brazil's representative to the GATT, spoke on behalf of developing countries and said that the lack of substantive results was caused by the lack of political will on the part of the major participants to tackle substantive problems in key areas of the negotiations, such as agriculture and textiles.

"It is with profound concern that developing countries find themselves compelled to declare that, if the current situation is not changed soon, the Uruguay Round will be in serious jeopardy as a result of the lack of political will of the major participants," he said.

Dunkel summed up the outstanding issues in all of the 15 negotiating areas from market access, textiles and clothing to agriculture, and service.

In the traditional areas of market access, Dunkel urged all participants to improve the quality of their offers on tariffs and non-tariff measures and to intensify their

bilateral negotiations from the end of August. The process of tabling specific tariff and non-tariff offers on all product sectors must be completed by 15 October, he added.

In the textile and clothing negotiations, the major issue impeding progress is the choice of a single modality by which the textiles and clothing sectors could be integrated into GATT. Dunkel said national positions on modalities need to be revised, and a decision needs to be taken as a matter of urgency.

In the agricultural sector, on which the row between the United States and the European Community has threatened the success of the Uruguay Round, Dunkel said "it is indispensable that participants be given the additional flexibility needed for negotiations to move ahead rapidly both in the field of commitments and in the field of new GATT rules."

On trade in services, he said it was particularly urgent for the substantive negotiations to proceed so full consensus is reached on the coverage of the framework, including the question of the role of Most-Favored-Nation treatment.

The TNC adopted the program in the final phase of negotiations as proposed by Dunkel. According to the proposal, from the last week of August to the first week of October, each of the 15 negotiating groups will meet formally and informally to seek to resolve the outstanding issues before them. The final agreements will be negotiated the week of October 8, when senior trade officials responsible for the overall conduct of the negotiations meet in Geneva.

Dunkel urged negotiators to intensify negotiations during the final phase in order to reduce the number of policy decisions to be taken by ministers in Brussels.

### UNDP To Provide Emergency Relief for PRC

OW2607130290 Beijing XINHUA in English  
1152 GMT 26 Jul 90

[Text] Beijing, July 26 (XINHUA)—The United Nations Development Programme [UNDP] has approved 50,000 U.S. dollars in emergency assistance to three provinces severely affected by floods in China, according to a press release issued by UNDP's Beijing office here today.

The assistance, in response to the devastating floods that hit Hunan, Shaanxi, and Sichuan in June and July, will be used to purchase local building materials for temporary shelters and blankets.

Meanwhile, the United Nations Disaster Relief Organization headquartered in Geneva will join UNDP in providing 20,000 U.S. dollars for the same purpose.

### Delegation Heads to Asiad Arrive for Visit

OW2607181290 Beijing XINHUA in English  
1521 GMT 26 Jul 90

[Text] Beijing, July 26 (XINHUA)—Heads of 29 delegations to the 11th Asian Games have arrived in Beijing for a pre-games visit.

They are from Afghanistan, Bahrain, Bhutan, Chinese Taipei, Iraq, Jordan, Kuwait, Malaysia, Maldives, Oman, the Philippines, Singapore, Thailand, the United Arab Emirates, Sri Lanka, Bangladesh, Lebanon, Vietnam, Brunei, Macao, India, Pakistan, Saudi Arabia, Hong Kong, Nepal, South Korea, the Democratic People's Republic of Korea, Iran, and Japan.

Heads of delegations from Syria and Mongolia are scheduled to arrive here tomorrow.

The heads of delegations will start their three-day visit tomorrow to hear reports by the Beijing Asiad organizers and to inspect the Asiad facilities.

### No Mention of Weekly Foreign Ministry Briefing

OW2607140590

As of 1400 GMT on 26 July, PRC media monitored by FBIS have not been observed to report the weekly PRC Foreign Ministry spokesman news briefing.

## United States & Canada

### U.S. Position on Cambodian Issue Viewed

HK2707031090 Hong Kong TA KUNG PAO in Chinese  
27 Jul 90 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "United States Announced It Will Hold Dialogue With Vietnam on 6 August"]

[Text] The U.S. State Department announced that the United States and Vietnam had decided to hold an official dialogue in New York on 6 August. The U.S. representative will be Assistant Secretary of State Kenneth Kun (5146 1441 2448 2492) and the Vietnamese representative will be Vietnam's representative to the United Nations.

On the same day when the above announcement was made, U.S. Assistant Secretary of State Solomon summoned Chinese Ambassador to the United States Zhu Qizhen, demanding that China exert more influence on the Khmer Rouge and reduce military assistance to the Khmer Rouge.

These two actions showed that after U.S. Secretary of State Baker announced the policy change for the Cambodian issue one week ago in Paris—not recognizing the representative position of Democratic Kampuchea in the United Nations and holding dialogue with Vietnam for the settlement of the Cambodian issue—the United

States was bent on having its own way without regard for the opposition of the ASEAN countries and China.

The United States lost more than 50,000 soldiers in the Vietnam war and the nation's vigor was seriously sapped. Fifteen years after the end of the Vietnam war, the consequences of the war still exist in society. The United States was always hostile to Vietnam and the Hun Sen regime in Phnom Penh fostered by Vietnam, and did not establish any political, economic, and cultural relations with them. Now the United States suddenly changed its position, and it was said that this was because it feared the "comeback" of the Khmer Rouge in Cambodia.

The U.S. Congress was deeply upset by the Khmer Rouge's successful attacks after the international conference on the Cambodian issue in Tokyo and the continuous defeats of the troops of the Hun Sen regime. In particular, as the armed forces of the Khmer Rouge surrounded the second largest city Kompong Thom, about 100 kilometers north of Phnom Penh, the force and influence of the Khmer Rouge continued to expand in the countryside. On the other hand, the morale of the troops of the Phnom Penh regime was decreasing, and group after group of soldiers collectively deserted. Some U.S. Congressmen feared that the Khmer Rouge would regain the ruling position in Cambodia, so they forced the Bush administration to hold a dialogue with Vietnam while urging China to stop supporting the Khmer Rouge.

Some people in the United States were also perplexed by the U.S. Government's action of suddenly announcing the policy change without first explaining the reasons for such change to the ASEAN and China, and they said that by doing this, the United States may simply isolate itself.

Democratic Kampuchea leaders Sihanouk and Son Sann also opposed the United States' decision to stop recognizing Democratic Kampuchea's position in the United Nations. Singapore Prime Minister Lee Kuan Yew pointed out that the United States' decision to stop recognizing a member of the United Nations "was a dangerous precedent." Singapore Foreign Minister Wong Kan Seng said at the ASEAN foreign ministerial meeting in Jakarta that he was extremely puzzled and he did not understand "how the U.S. decision could help settle the Cambodian issue."

On 25 July, when meeting with Japanese friend Kiichi Miyazawa, Chinese Premier Li Peng made it plain that leaving the seat of Democratic Kampuchea in the United Nations vacant would not be favorable to the comprehensive, fair, reasonable, and peaceful settlement of the Cambodian issue.

Sihanouk sent a letter to all the ASEAN countries on 24 July and pointed out the consequences of the new U.S. policy: If the Khmer Rouge cannot join the other three factions on a completely equal footing in the peace process, it will not be possible to realize peace in Cambodia. He added: "If one does not try to satisfy the conditions for realizing true and fair peace in Cambodia

but tries instead to satisfy Vietnam's colonial requirements and the requirements of the corrupt, autocratic, and nation-betraying Heng Samrin-Hun Sen regime, then the war will be prolonged until the Khmer forces win complete victories and until the Hun Sen regime collapses."

The reactions of Democratic Kampuchea, the ASEAN, and China showed that the U.S. policy change was a decision based on inadequate consideration. The decision-makers recklessly sought dialogue with Vietnam and the Phnom Penh regime after a group of shortsighted and anxious anticommunist politicians in Congress clamored. If the United States does not rapidly correct this erroneous move, it will not only bring about trouble to itself and ruin its international prestige, but it will also once again retard the peace process in Cambodia and prolong the war there.

#### **Commentary Views U.S. Latin American Initiative**

HK2707095190 Beijing RENMIN RIBAO in Chinese  
26 Jul 90 p 7

[Commentary by Guan Yanzhong (4619 1750 1813): "A Brief Analysis on 'Enterprise for the Americas'"—all quotation marks as published]

[Text] When addressing the Congress on 27 June, U.S. President Bush unveiled a "package of trade initiatives: Enterprise for the Americas," proposing to establish a "new economic partnership" with Latin American countries. This is a "new economic package" put forward by the U.S. Government under the present circumstances after months of "examination of the policy toward the whole of Latin America and the Caribbean region." This reflects the outlook of U.S. policy changes for Latin American countries in the 1990's, and has therefore caused wide concern in those countries.

Bush mentioned three pillars that made up his package. The first pillar is strengthening trade and setting the target of establishing a free-trade zone for the Americas. In order to "encourage the tendency of free market reform that is now cropping up in the Americas," the United States has mapped out a three-point plan: The United States will commit itself to "close cooperation with countries in this hemisphere" in the last months of the world trade talks held in Uruguay, in order to make free, equitable trade possible; the United States will always be ready to draw up free-trade agreements with Latin American countries, in order to reinforce the tendency toward a free market, the ultimate goal being setting up a free-trade framework that covers the entire Americas; the United States will, through negotiation, "open up markets and develop closer trade relations" with those countries which are not interested in the above-mentioned undertakings for the time being.

The second pillar is improving conditions for investment in Latin America. The United States has called on Latin American countries to "thoroughly change the conditions that hinder domestic and foreign investment" and

has declared that it was going to cooperate with the American Development Bank and "formulate new credit plans for countries which are to take important measures to remove obstacles to international investment." It suggested raising an investment fund for the Americas. The United States, Europe, and Japan are to contribute \$100 million each. This sum will be budgeted by the American Development Bank for supporting Latin American countries in "their market-oriented investment reform and the process of privatization."

The third pillar is debt relief for Latin American countries. The United States will further its "effort in debt relief" so as to create a climate that is attractive to new investment. Bush suggested that the American Development Bank participate in the efforts of the International Monetary Fund and the World Bank in helping commercial banks with debt relief for Latin American countries, and that it contribute money to this end, too. The United States will, in accordance with Nicholas Brady's plan, write off a portion of the \$12 billion worth of government-to-government loans and credits owed to the United States by Latin American countries through preferential credits and commercial credits, and support them in using their loans for ecological investment so that these debtor nations will be financially competent to carry out their environment protection plans.

Advancing this "package" is a response that the United States has made under the new circumstances to the "great challenge and opportunity facing" the Western hemisphere, and a step that the United States has taken to safeguard and fortify its position in the "backyard" of Latin America, at a time when U.S.-Soviet relations have been relaxing in recent years. For the sake of its long-term, strategic concerns, the United States finds it necessary to adjust its relations with Latin American countries in order to upgrade its position in global competition as economic blocs are being formed in the international arena. Proposing to establish "new economic partnership" with Latin American countries and making efforts to set up a free-trade framework for the Americas, the United States obviously aims at forming a strong economic bloc to stand up to the prospective unified European market, which is to become reality in 1992, and Japan, with its enormous national strength. Some analysts in the United States hold that the focus of the U.S. policy toward Latin American countries has "switched from security matters to economic concerns." Nowadays, the hot spot of Central America has cooled down and major Latin American countries have in the past few years made important adjustments to their policies for moving toward "an open economy that gives play to the role of market," in the hope that this will help realize economic growth and political stability. All these have objectively provided conditions for the United States to adjust its policy toward Latin American countries.

Latin American countries are in urgent need of money for their economic recovery and development, but they have very limited financial reserves themselves; they are



groaning under their burdensome debt; their foreign trade suffers heavy losses from protectionism. Therefore, Latin American countries are eager to get more foreign investment and credits to reverse the situation of one-way outflow of capital, and strongly demand debt reduction and expansion of foreign trade. In these respects, Latin American countries rest their hopes on the United States, yet at the same time worry that the United States and other Western countries may send their capital and technology to East Europe while giving Latin American countries the cold shoulder. Therefore, the purpose of the Bush proposal is to cater to the economic demand of Latin American countries and also to show that the United States "is sincere" in its effort toward "new economic partnership" with Latin American countries, in order to help them remove their misgivings and mend its relationship with them that was impaired by the U.S. invasion of Panama. Besides, this will also serve to create a favorable atmosphere for Bush's scheduled visit to five Latin American countries (Venezuela, Brazil, Argentina, Uruguay, and Chile) this coming September.

On the whole, the Bush proposal has won applause from Latin American countries where people think that the U.S. plan to establish a free-trade zone for the Americas has "provided a chance" for speeding up the process of regional integration. The proposal of debt reduction and increase in investment is also positive. All this shows that "Washington has started again to pay attention to its relations with Latin America." But some people in the economic circles and some publications have warned that it is "unwise to place too much hope" on the "proposal" of the northern power. As a Latin American proverb goes, "From words to deeds, there is a long way to go." Some Latin American "partners" worry, from their past experience with their northern neighbor, that they may not be able to acquire equal status and reciprocal benefits in the prospective "American bloc." At the same time, they have also noticed that the debt reduction and increase of investment proposed by the United States are conditional. It should also be noticed that the discrepancies in economic development and policy among Latin American countries are a hindrance to reaching the goal of setting up a free-trade zone for the Americas. The great deficit, the limited financial strength, and the wait-and-see private capital in the United States are all negative factors for carrying out the "proposal."

Latin American countries hope that the "new economic partnership" will become reality in the future, but it is generally held that no significant change in U.S. relations with Latin American countries can be seen within a short period.

### Northeast Asia

#### Li Ruihuan Meets Former Japanese Minister

##### Criticizes Zhao Ziyang

OW2707062990 Tokyo NHK General Television Network in Japanese 0300 GMT 27 Jul 90

[Text] One of the younger CPC leaders, Mr. Li Ruihuan, a member of the Political Bureau Standing Committee,

met this morning with former Deputy Prime Minister Miyazawa and his party now visiting China. He criticized former CPC General Secretary Zhao Ziyang, saying that responsibility for last June's Tiananmen incident rested primarily with Zhao. Li thus rejected recent reports that Zhao might be reinstated.

The meeting between Li Ruihuan and Miyazawa took about an hour this morning. At the meeting Li said that policy errors such as the failure to link commodity prices and wages and corruption among the leadership led to the people's discontent, which in turn led to the Tiananmen incident.

Many who participated in the demonstrations did so because of their discontent, and Zhao Ziyang should be held mainly responsible for the incident because he did not try to correct the policy errors. He singled out Zhao and criticized him for being sympathetic toward the democratic movement at that time.

Li is regarded as one of the younger leaders belonging to the reformist group. Behind the open criticism of Zhao appears to be his intention to refute reports circulating in Hong Kong and elsewhere that Zhao might be reinstated.

### Discusses State Reform

OW2707083790 Beijing XINHUA in English 0704 GMT 27 Jul 90

[Text] Beijing, July 27 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with a delegation from the Kochikai of the Japanese Liberal Democratic Party led by Kiichi Miyazawa, a former Japanese deputy prime minister.

During the meeting, Li answered questions on China's reform, opening to the outside world and its efforts to build democracy.

### Wu Xueqian Comments on Changes in East Europe

OW2607134390 Tokyo KYODO in English 1327 GMT 26 Jul 90

[Text] Beijing, July 26 KYODO—Chinese Vice Premier Wu Xueqian on Thursday hailed the willingness of North Korea to accept a visit to Pyongyang by a high-powered delegation from Japan's ruling Liberal Democratic Party (LDP).

In a one-hour talk with former Japanese Finance Minister Kiichi Miyazawa, Wu said high-level contact with North Korea such as that by former Deputy Prime Minister Shin Kanemaru, who is scheduled to visit this fall, would help defuse tension on the Korean peninsula, according to aides accompanying Miyazawa.

"We also hope the situation on the Korean peninsula will take a turn to relaxation of tensions. We support contacts

between Japan and North Korea and expect further contacts," Wu was quoted as saying.

The LDP delegation trip was arranged by a delegation of the Japan Socialist Party during a visit to Pyongyang last week. Japan has no diplomatic ties with North Korea.

Wu said both North and South Korea want peace, but disagree on concrete issues. "I hope Japan will make contact with not only South Korea but also North Korea to deepen mutual understanding for relaxation of tension on the Korean peninsula," he reportedly told Miyazawa.

Commenting on changes in Eastern Europe, Wu said while some countries have abandoned socialism, communist parties are still dominant in other countries although they have changed their names to socialist parties.

"President (Mikhail) Gorbachev has done much in political reform but has not resolved difficulties in the economy. China hopes the Soviet Communist Party will succeed in a socialist way and head in a good direction," Wu said.

Miyazawa arrived here Tuesday on a six-day visit.

#### **Party Workers' Delegation Leaves for DPRK**

OW2707075690 Beijing XINHUA in English  
0722 GMT 27 Jul 90

[Text] Beijing, July 27 (XINHUA)—A Communist Party of China (CPC) workers' delegation, led by Deputy Director of the General Office of the CPC Central Committee Xu Ruixin, left here today for a friendly visit to the Democratic People's Republic of Korea at the invitation of the Workers' Party of Korea.

#### **Japanese Bank Resumes Loans to Xiamen**

HK2607115990 Beijing CEI Database in English  
0925 GMT 26 Jul 90

[Text] Xiamen (CEI)—The Hong Kong branch of the Bank of Tokyo, Ltd. recently granted an 18 million U.S. dollar loan to Xiamen Haijing Hotel. This is the first loan a Japanese bank made to East China's Fujian Province in the wake of Japanese Prime Minister Toshiki Kaifu's announcement of resuming loans to China.

So far, the province has signed more than 50 contracts using Japanese funds, accounting for 30 percent of the foreign funds the province has attracted.

Japanese funds have been attracted to the province mainly by means of bonds, stocks and loans, sources here said.

The province has so far floated stocks and bonds in Japan on four occasions and the amount issued totalled 40 billion yen.

Japanese funds have been used for program-controlled telephone projects in Fuzhou, Xiamen and Quanzhou, three most developed cities in the province, and a coal gas project in Fuzhou.

In the 1980s, Fujian's trade volume with Japan accounted for one fifth of its total foreign trade volume. Large Japanese trade companies such as Marubeni Corp., Mitsubishi Corp. and Mitsui and Co. Ltd have decided to set up subsidiaries in Xiamen, a special economic zone in the province, in the near future.

Meanwhile, the province is upgrading its exports and sending more manufactured goods to Japan.

#### **First Batch of Tianjin Cement Exported to Japan**

OW2607182790 Beijing XINHUA in English  
1411 GMT 26 Jul 90

[Text] Tianjin, July 26 (xinhua)—5,000 tons of Chinese cement was shipped to Japan from Tianjin Harbour today.

This is the first time for Tianjin cement to enter the international market and the first batch of Chinese cement into the Japanese market.

#### **Near East & South Asia**

##### **Qian Qichen Meets Moroccan Counterpart**

OW2707013690 Beijing XINHUA in English  
0109 GMT 27 Jul 90

[Text] Rabat, July 26 (XINHUA)—The visiting Chinese Foreign Minister Qian Qichen and his Moroccan counterpart Abdellatif Filali urged here today the two superpowers to contribute to the establishment of a new international economic order.

In a two-hour meeting, Minister Qian said the East-West detente failed to bring about detente in the regions, and principles of reciprocal respect and non-interference in internal affairs are being neglected or violated. He also said the North-South economic gap is increasing between developed and developing countries.

Minister Filali said the Third World is facing a challenge with the developed countries becoming richer and the developing countries becoming poorer.

The two ministers also dealt with major international problems of common interest. On the Kampuchean problem, Minister Filali condemned the Vietnamese occupation and persisted in supporting the legitimate seat of Democratic Kampuchea in the organization of the United Nations.

Referring to China's situation, Minister Qian said political and economic stability in the country "proves the inefficiency of the political pressure and economic sanctions against China as well as the failure of isolating China."

He reiterated China's continued pursuit of policy reform and opening to the outside world, including developing relations with other countries on the basis of peaceful co-existence.

Expressing satisfaction over the relations between China and Morocco in various fields, the two countries also exchanged views on diversified means and ways of promoting Sino-Moroccan cooperation.

The Chinese minister arrived here Thursday for a four-day official visit to Morocco.

### New Israeli Cabinet Viewed

HK2607154590 Beijing JIEFANGJUN BAO in Chinese  
2 Jul 90 p 4

[Article by Rui Yingjie (5360 5391 2638) and Zhong Xiping (6988 1585 1627): "New Israeli Cabinet and Middle East Situation"]

[Text] Recently, after the right-wing Shamir cabinet came into power in Israel, the situation in the Middle East has become even more complicated, sparking wide concern.

The new Shamir cabinet was set up on 11 June. Early this year, the coalition cabinet headed by Shamir was weighed down by numerous difficulties, and internal strife in the ruling group was heated. As a result, the cabinet had to resign. The Knesset decided to have the Labor Party leader Peres, who was capable of handling things in a more flexible way, form a cabinet. But while he was doing this, Peres ran up against interference and opposition from the Likud bloc represented by Shamir and some other right-wing parties. He failed to accomplish the task of setting up a cabinet. According to some relevant regulations, Shamir was once again asked to form a cabinet. He spent more than 40 days going hither and thither to rope in some minor extremist parties and religious groups. At last, he set up a right-wing cabinet with the Likud as the main body. Among the 19 cabinet members, apart from Shamir who remained in the position of prime minister, all leading figures of the Likud, which represents Israel's right-wing forces, were given important posts. Sharon, the mastermind behind the 1982 war of aggression against Lebanon, took up the post of housing minister, responsible for establishing Jewish settlements in the occupied Arab territories; Levi, a staunch opponent of Middle East peace talks, became foreign minister; Modai, who had always stood for a harsh attitude toward the Palestinians, was made finance minister in charge of finance and economy; the post of defense minister went to Arens, former foreign minister and another hawk from the Likud. Some other less influential parties which entered the cabinet held roughly the same political views as the Likud, refusing to hold dialogue with the PLO and endorsing the idea of annexing the occupied Arab territories. Some even suggested driving out all Palestinians from the occupied territories, and some disavowed the internationally recognized border with Egypt, planning to go on expanding

Israel's territory by force. The Labor Party, maintaining a positive attitude toward settling the Middle East problem through peace talks, was denied membership in the cabinet. For this reason, the media generally hold that the new Shamir cabinet is the first one consisting of "hawks alone" in Israeli history: It is a "cabinet for war".

Though only in power 20 days so far, the right-wing Shamir cabinet has revealed itself as an enemy of all its neighbors. After the cabinet had been set up, Shamir gave a speech wherein he made public the first three things that his administration would do: 1) expand Jewish settlements, which means, among other things, helping Jewish immigrants from the Soviet Union to settle in the occupied territories; 2) refrain from peace talks with the PLO, not hesitating to suppress Palestinian resistance by force; 3) not to abandon "any territory" that it has taken from the Arab world, stressing the need to prepare for "military offensive". On the very day he assumed office, Defense Minister Arens visited the occupied West Bank of the Jordan River under Shamir's order. When addressing the Jews there, he said that Israel would never abandon even "an inch of territory" that it had occupied and that they would continue to "consolidate, develop, and expand" the Jewish settlements in the occupied Arab territories. Afterwards, Arens went to the southern part of Lebanon under Israeli control and inspected military positions there. These days, the new Israeli government has been ordering the Israeli Army to suppress the struggle by Palestinian people in a bloody manner by using new weapons, bombing from helicopters, and throwing gas bombs. Israeli soldiers also set upon a Palestinian village near Jerusalem with lethal bullets, killing three and injuring 10. All this shows that the new Shamir administration will go on stubbornly pursuing their policies of aggression and war, and the result is bound to be aggravation of the Middle East tensions. The United States shows its support and appreciation for the right-wing Shamir administration. As is known to all, the U.S. policy toward Israel has always been one of "light criticism and strong support." Since some time ago, the United States has been having some minor differences with Israel in Middle East policy and, from time to time, they have argued with each other. But the United States has not in the slightest changed its substantial position of taking sides with Israel, for the sake of its fundamental interests in the Middle East. It has always been seeking after "strategic alliance" with Israel, and has never cut down its military and economic aid for the latter. In the past three months, the Israeli Army and police have been constantly firing at and killing unarmed Palestinian people, inviting strong condemnation from the upright media of the world. But the United States has been using all possible means to shield Israel, and even several times vetoed the UN resolution that condemned Israel. At the same time, the United States has been putting pressure on the PLO. Particularly, on 20 June when the new Shamir cabinet had just been set up, U.S. President Bush declared the breaking-off of the U.S.-PLO talk that had continued for 18 months, using the attack at Tel Aviv on

30 May as an excuse. It should have been helpful in bringing peace to the Middle East that the representatives of the United States and the PLO meet in Tunisia at irregular intervals to exchange views on the solution to the Middle East problem. But the United States decided to discontinue its dialogue with the PLO at this juncture. This undoubtedly caters to the need of the Shamir cabinet to oppose peace talks and would only serve to encourage the ultra-right forces in Israel to be even more arrogant and unscrupulous.

The inauguration of the right-wing Shamir administration and the policy it follows have evoked strong responses in the Arab world. Palestinian President Arafat made several speeches indignantly denouncing the outrages of the new Israeli government, asking the international community to impose sanctions on Israel. Leaders of other Arab states, such as Jordan, Egypt, and Lebanon, also delivered speeches, sharply attacking the new Israeli cabinet for pursuing an expansionist policy, and pointing out that this had made the deteriorating situation in the Middle East more gloomy.

### Sub-Saharan Africa

#### Seychelles Minister To Visit PRC 28 Jul-6 Aug

OW2607093290 Beijing XINHUA in English  
0916 GMT 26 Jul 90

[Text] Beijing, July 26 (XINHUA)—Danielle de Saint Jorre, minister of planning and external relations of the Republic of Seychelles, will pay an official visit to China from July 28 to August 6 as guest of Chinese Foreign Minister Qian Qichen.

#### Beninese Prime Minister Appreciates PRC Aid

OW2707061290 Beijing XINHUA in English  
0551 GMT 27 Jul 90

[Text] Lome, July 26 (XINHUA)—Benin Prime Minister Nicéphore Soglo expressed appreciation today of China's aid in helping his country develop its textile industry, road construction and agriculture.

In a meeting with Chinese Ambassador Zhu Yourong, Soglo described the Chinese aid as more satisfactory and effective than aid offered by other countries. He pledged to further promote cooperation between the two countries.

#### Zhu Liang Meets African Socialist Official

OW2607140190 Beijing XINHUA in English  
1338 GMT 26 Jul 90

[Text] Beijing, July 26 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party (CPC) Central Committee, met and feted Sadok Fayala, general secretary of the Union of African Socialist and Democratic Parties, and his group here today.

Fayala and his group arrived here July 24 at the invitation of the International Liaison Department of the CPC Central Committee.

#### Wu Xueqian Meets Zambian Prime Minister

OW2407115190 Beijing XINHUA in English  
1100 GMT 24 Jul 90

[Text] Beijing, July 24 (XINHUA)—Chinese Vice-premier Wu Xueqian reiterated today that China will continue to support the just struggle of the southern African people until their final victory.

During a meeting with Zambian Prime Minister M.N. Masheke here this evening, Wu said China and Zambia share identical or similar views on major international issues.

He spoke highly of Zambia's efforts to promote the unity and cooperation of Africa and to actively seek peace, stability and development of the southern African region.

Referring to the positive progress in the situation of Africa, Wu expressed the belief that "the day of complete independence on the African continent is not far away."

The Chinese Government and people will "firmly stand by your side to support the just struggle of the southern African people until the final victory," Wu told his guests.

After the meeting, Wu gave a banquet to entertain the Zambian visitors.

#### Zambian Premier Ends Visit

OW2507111590 Beijing XINHUA in English  
0827 GMT 25 Jul 90

[Text] Beijing, July 25 (XINHUA)—Zambian Prime Minister M. N. Masheke called his visit to Beijing "very successful" upon leaving here this morning for south China with his entourage.

Chinese Premier Li Peng, bidding the Zambian Prime Minister farewell at the Diaoyutai State Guesthouse, also described Masheke's visit as "very successful", saying it has made "new contributions" to furthering the friendly co-operation between China and Zambia.

Masheke said the two sides had had "very successful talks", which led to "a very successful visit".

Upon leaving Beijing, he said, he was more confident than ever that the strong ties of friendship between the Chinese people and their leaders, and their counterparts in Zambia and Africa in general, are constantly being strengthened.

Masheke invited Li to visit Zambia, which Li promptly accepted with thanks.



**West Europe****Britain's Maude Concludes PRC Visit 26 Jul****Urges Improved Human Rights**

HK2707012790 Hong Kong SOUTH CHINA  
MORNING POST in English 27 Jul 90 pp 1, 2

[From Fanny Wong in Beijing]

[Text] The British Foreign Secretary, Mr Douglas Hurd, will visit China following his junior minister, Mr Francis Maude's ice-breaking diplomatic mission to the Chinese capital.

After three days of friendly talks with senior Chinese leaders, Mr Maude yesterday announced that Mr Hurd would definitely go to China.

"As far as a visit to Beijing by Mr Douglas Hurd is concerned, clearly, I think it is certain that at some stage he will visit Beijing. But when that will be, I can't predict," he said.

Mr Maude extended an invitation to his host, Vice-Minister, Mr Tian Zengpei, to visit London.

He further proposed to Mr Tian that he should also visit Hong Kong.

During his 50-minute meeting with Mr Maude on Wednesday, the Chinese Prime Minister, Mr Li Peng, extended an open invitation to British ministers to visit China.

The developments represent a major breakthrough in Sino-British relations since the Beijing massacre last summer.

Concluding his mission, Mr Maude said he had raised the issue of the Nuclear Non-Proliferation Treaty (NPT) with Mr Tian.

He told his host that Britain had been encouraged by China's decision to make its first participation in NPT events.

China, he said, will attend the fourth NPT review conference in Geneva next month.

"We hope this will lead to Chinese accession to the treaty," he added.

Mr Maude said some relaxation on economic sanctions against China would be possible, but he saw no immediate prospect of the European Community lifting its arms embargo.

"I don't expect there to be a full lifting of sanctions in the foreseeable future," said Mr Maude, the highest ranking European official to visit China for a year.

He told the Beijing officials that to persuade the West to further relax sanctions, China needed to improve its human rights record.

On Hong Kong affairs, Mr Maude conceded that differences existed between the two sides and could not be removed by one ministerial visit.

He said it would be unrealistic to expect any explicit change in China's attitude to the British nationality scheme in the near future.

"The Chinese side has restated its position but has done so in a relatively muted way, which I think is encouraging," he said, noting that the Chinese officials had not indicated what retaliatory measures they might take against the scheme.

"It's important that Hong Kong people should feel able to remain in Hong Kong not just until 1997, but well beyond. There is certainly nothing in China's attitude which should encourage people to leave Hong Kong immediately," he said.

"I hope we will succeed in persuading the Chinese government that this is an essential measure for Hong Kong's future and thus people will then have the confidence to remain in Hong Kong."

He said the rush by Hong Kong residents to apply for naturalisation as British subjects was prompted by a misunderstanding "of the nature of the deadline".

Mr Maude told his hosts that the abode plan was also vital for maintaining Hong Kong civil servants' confidence in the future of the territory.

The problem would be further addressed by the Sino-British Joint Liaison Group and other diplomatic channels, he added.

On the Bill of Rights, Mr Maude said he had cleared up some Chinese misunderstanding on why the human rights legislation was needed.

He assured the Chinese officials that the bill would not override the Basic Law.

"I didn't expect there to be full agreement to everything at this stage, but what we've done is take the opportunity to explain these things very candidly in a good and friendly atmosphere," he said.

Mr Tian said: "I'm confident so long as both sides make concerted efforts to implement and abide by the Joint Declaration and adopt a sincere attitude to carry out consultation, all the problems can be solved and difficulties overcome."

Mr Tian added that China would stick strictly to the principles of the Joint Declaration and would "earnestly discharge all obligations" in the joint accord. Mr Maude pledged to do the same.

Mr Maude leaves Beijing for Hong Kong today to brief Executive and Legislative Councillors before returning to London tonight.



### Foreign Secretary Hurd To Visit PRC

OW2607154590 Tokyo KYODO in English 1450 GMT  
26 Jul 90

[Text] Beijing, July 26 KYODO—British Foreign Office Minister Francis Maude said Thursday Foreign Secretary Douglas Hurd would visit China "at some stage."

Maude, who spoke to reporters after concluding three days of talks in Beijing, did not say when Hurd will make the trip but the would-be visit by a British cabinet minister is seen as likely to betoken a relaxing of a Western ban on high-level contacts with China.

Maude is the first state minister from a European Community (EC) member nation to visit China following the military crackdown on pro-democracy demonstrators in Beijing in June last year.

While the EC has made an exception for Britain to send senior officials to China in view of Hong Kong's pending return to China, Britain has so far refrained from sending a state minister to China on grounds that the democratization process remains insufficient in China.

Maude said he does not expect there will be a full lifting of sanctions against China even though the Chinese Government has released political detainees, lifted martial laws in Beijing and in Lhasa, and allowed astrophysicist and dissident Fang Lizhi to leave the country.

He said he told the Chinese leaders that in order for the West to relax sanctions, further democratization in China would be necessary.

Maude, the Foreign Office minister in charge of Hong Kong, arrived in Beijing on Tuesday and met Premier Li Peng, Vice Premier Wu Xueqian, and Deputy Foreign Minister Tian Zengpei.

He said his talks with Tian focused on Hong Kong.

### Meets With Li Peng 25 Jul

OW2607203490 Beijing in English to Western  
North America 0400 GMT 25 Jul 90

[Text] Chinese Premier Li Peng met with British Foreign Office Minister Francis Maude Wednesday morning at Beijing's state guest house. The two officials discussed issues of common concern and talked about their willingness to improve Chinese-British relations. In Beijing (Jia Jixuan) has more:

[Begin recording] Premier Li Peng said he welcomed this British official to China. He said that the Maude visit indicates further improvement in the relations between the two countries. Francis Maude currently holds the post of Foreign Office Minister for Asian Affairs, but when he returns to Britain this weekend, he will take up a new post as financial secretary to the Treasury. The Chinese premier jokingly told Maude that he didn't know whether to congratulate him on his promotion, because in China the finance minister is always the target

of attack. Maude thanked Li Peng for his good wishes and said in his new job he may not have a chance to visit China again.

After the meeting between the two, the director of the Foreign Ministry's Western Europe Department Yang Guirong held a press briefing. Yang Guirong said Li Peng and Maude had a friendly conversation and discussed the issue of common concern. Li Peng told Maude that the political and economic situation in China is improving. The country has climbed out of its most difficult period. The inflation rate has been brought under control, and industrial production has started to improve.

During their talk, Li Peng reiterated that China and Britain are both permanent members of the UN Security Council. China attaches great importance to Sino-British relations. The Chinese premier said he hopes relations between the two countries would continue to improve.

Francis Maude said the main purpose of his visit is to bring the British-Chinese relationship back to normal. He said his government is willing to work with China in a joint effort to further improve that relationship. In addition to these topics, the two parties discussed issues related to Hong Kong. Both sides agreed to strengthen their consultations and cooperation in order to ensure Hong Kong's future stability and prosperity.

Maude is scheduled to meet other Chinese officials throughout the week.

For Radio Beijing I am (Jia Jixuan). [end recording]

### Li Ruihuan Meets Swiss Labor Party Chief

OW2707082790 Beijing XINHUA in English  
0710 GMT 27 Jul 90

[Text] Beijing, July 27 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with Jean Spielmann, general secretary of the Labor Party of Switzerland.

During the meeting, Li briefed Spielmann on China's reform and opening to the outside world, and discussed issues of mutual concern with him. They expressed the wish to further the mutual understanding and friendly relations between the two parties.

### East Europe

### XINHUA Analyzes GDR Coalition Crisis

OW2607114390 Beijing XINHUA in English  
0732 GMT 26 Jul 90

[News Analysis: "What Is Behind GDR Government Coalition's Crisis?" (by Wang Defeng)—XINHUA headline]

[Text] Berlin, July 25 (XINHUA)—At a time when German unification is already certain and approaching, political parties in Democratic Germany are falling out with one another on whether their republic should merge with West Germany at an early date.

The Liberal Democrats who control 21 seats in the 400-member Parliament declared Monday to quit the seven-party coalition led by Prime Minister Lothar de Maiziere.

The Social Democratic Party, the second largest party in the country, followed suit by threatening to join the Liberal Democrats if the prime minister fails to make a compromise by Friday. That would mean a real collapse of the Coalition Government.

The coalition is also bogged down in a dispute over how the all-German election, which is scheduled on December 2 this year, should be held.

In order to gain five percent of the votes in the all-German election, the minimum requirement for a party to enter the future Parliament, both the Liberal and Social Democrats stand for unification before election. Prime Minister de Maiziere's Christian Democratic Party and the German Social Union, however, favour election before unification so that elections will be held separately in FRG and GDR.

The Christian Democrats are proposing a minimum three percent vote instead, saying a higher percentage would keep many new and small parties out of the Parliament.

Moreover, de Maiziere justifies his stand by warning after the Liberal Democrats' withdrawal that an early unification will weaken his Government's position in negotiations with Bonn on the second state treaty and other issues.

However, the public in GDR has rightly asked if unification and election are really more important than prices and employment.

What the conflicting parties would not wish to admit openly is the fact that all the parties in the two Germanys, whether ruling or opposition, are trying to emerge in the upper hand from the dispute before the December election.

The all-German election is actually a combat between the Christian Democrats and Social Democrats in the two Germanys.

Although Helmut Kohl and de Maiziere have won scores for their parties in promoting German unification, it is hardly certain that the Christian Democrats will win the coming election.

Recent public pollings and local elections in West Germany have shown that the Social Democrats are faring well. Meanwhile, feelings against the Christian Democrats are burgeoning in GDR amid hiking prices and

growing unemployment as a result of the implementation of the state treaty between the two Germanys and the introduction of West German marks.

Both Christian and Social Democrats are trying their best to win votes by offering different options which they think may help the hopeless small parties.

It is none other than the purpose of maintaining their own interests that has led to Liberal Democrats' withdrawal and Social Democrats' threatened withdrawal. The same purpose has also led de Maiziere to make it clear that his Government will not change its mind even if the Social Democrats have threatened to go along with the Liberal Democrats in quitting the coalition.

### Yugoslav Official Hails 'Wise' Policy of Deng

OW2707062190 Beijing XINHUA in English  
0606 GMT 27 Jul 90

[Text] Belgrade, July 26 (XINHUA)—A high-ranking Yugoslav official today hailed Deng Xiaoping's policy as a wise one which has scored dramatic achievements over the past ten years.

Slobodan Milosevic, president of the Serbian republic, made the remarks during a meeting with a delegation from Heilongjiang Province, northeast China.

Milosevic also expressed the hope that the two countries will further strengthen their bilateral economic ties.

The Chinese delegation led by Chen Yunling, deputy governor of the Heilongjiang Province, arrived here Wednesday. It held talks with the republic's Deputy Prime Minister Miroslav Miskovic on economic ties between the province and the republic, which began their economic and technological ties in 1981.

### Xu Xin Meets Vacationing CSFR Army Officers

OW1807141290 Beijing XINHUA in English  
1142 GMT 18 Jul 90

[Text] Beijing, July 18 (XINHUA)—Deputy chief of general staff of the Chinese People's Liberation Army Xu Xin met with a vacationing Army officers delegation from the Czech and Slovak Federal Republic here tonight.

Xu Xin had a friendly conversation with the guests.

The delegation led by Lieutenant General I. Andrejcek, commander of the East Military Region of the Czech and Slovak Army, arrived in Beijing on July 5 at the invitation of the Ministry of National Defense of China.

### Shanghai Garrison Commander Fetes CSFR Delegation

OW2007051590 Shanghai City Service in Mandarin  
2200 GMT 16 Jul 90

[Text] Major General (Xu Wenyi), commander of the Shanghai Garrison, met and feted the Czech and Slovak military officers vacation group, led by Major General (Ankolaiyichak), commander of the eastern military region.

## Political & Social

### JINGJI RIBAO Under State Council Control

HK2707094290 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0748 GMT 27 Jul 90

[Report: "The State Council Decides To Place JINGJI RIBAO Under Its Jurisdiction"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Jul (ZHONGGUO XINWEN SHE)—Recently the State Council decided to put JINGJI RIBAO under its jurisdiction. The Research Office of the State Council will provide professional guidance for JINGJI RIBAO and the State Council Office will be responsible for its administration.

For this reason JINGJI RIBAO held a work meeting several days ago to discuss how to cope with the new change and how to make new contributions. Wang Renzhi, director of the CPC Central Committee Propaganda Department, Liu Zhongde, deputy secretary general of the State Council, and Yuan Mu, director of the State Council's Research Office, attended and addressed the meeting.

The State Council has made it clear that JINGJI RIBAO will be put under its jurisdiction. This indicates that JINGJI RIBAO is very important, Wang Renzhi said, adding that it also suggests that this newspaper is run well. An important task in economic propaganda is to guide the people throughout the country in fully understanding the superiority of the socialist system and to explain that confusion will occur and everything will come to naught without adhering to socialism under the leadership of the communist party. The people should be made to understand that it will take a long time to develop the economy. The economy should be developed through hard struggle and thrift, rather than boosting consumption, because this does not conform with China's national conditions.

### Beijing Sources Say Release of Dissidents Likely

HK2707011190 Hong Kong SOUTH CHINA  
MORNING POST in English 27 Jul 90 p 12

[By Iris Lee]

[Text] Exiled student leader Ms Chai Ling will lobby the United Nations Subcommission on Human Rights to put pressure on Beijing to release more political prisoners.

One of the items on the agenda of the month-long hearing which the subcommission will hold in Geneva next week will be the "sustained and systematic violation of human rights".

Ms Chai, who is in the U.S., will travel to Geneva next month and present the subcommission with a list of over 60 democracy activists who are still detained in Beijing.

"Since the Chinese Government does not acknowledge the total number of its arrests, it is difficult to ascertain how many still remain in jail," Ms Chai wrote in a statement she planned to release to the commission.

"One may get the wrong impression that the Chinese Government is liberalising its repressive policies while in fact hundreds or thousands still remain incarcerated."

Ms Chai said the list of prisoners she had prepared was far from exhaustive and only represented those she knew to have made significant contributions to the fight for democracy.

If Beijing released these prisoners, Ms Chai said, "we will know for certain that the Government is indeed serious about improving its human rights record".

The list of 62 includes well-known student leaders, veteran dissidents, workers, intellectuals, Communist Party officials, and five Hong Kong and Macao residents who were arrested for allegedly trying to help dissidents flee China.

Topping the list are former Beijing University student Wang Dan, underground labour union leader Han Dongfang, former adviser to disgraced party chief Bao Tong, writer Wang Ruowang and dissident Wei Jingsheng.

Chinese sources in Beijing said to further woo Western public opinion and to create an atmosphere of harmony before the Asian Games, Beijing was likely to set free another batch of political prisoners by September.

### Jiang Zemin Inspects Guangzhou Military Region

HK2607143990 Beijing JIEFANGJUN BAO in Chinese  
30 Jun 90 p 1

[Newsletter by staff reporters Huang Qunwen (7806 5028 2429) and Chen Xiaobu (7115 1420 1580): "Chairman Jiang Zemin Among Troops in Special Economic Zones"]

[Text] Facing the scorching sun of summer days in the south and enduring the hardships of a long journey, in the second half of June Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, visited the three special economic zones of Shantou, Shenzhen, and Zhuhai in Guangdong Province. Always bearing in mind the building of the People's Liberation Army [PLA], no matter how busy he was during the visit, he made certain he called on PLA men stationed in the three zones.

At about 1100 on 11 June, Chairman Jiang drove into the campsite of a unit stationed in Shantou, where green trees and colored flowers set each other off. Accompanied by Lin Ruo, secretary of the Guangdong provincial party committee, Zhang Zhongxian, political commissar of the Guangzhou Military Region, Li Jinai, deputy director of the PLA General Political Department, and some other leaders of Guangdong Province and the military region, Chairman Jiang, grinning from ear to



ear, went to representatives of the "Red Regiment No. 1" who were lining up to welcome him, and shook hands with each of them. It was the first time for Chairman Jiang to meet officers and men of the "Red Regiment No. 1," but he had a sound understanding of the glorious history of this heroic regiment. He saluted the representatives and said with a smile: People of the whole country are aware of the meritorious deeds of the heroic companies such as the "Daduhe Company" and "Langyashan Five Warrior Company" of your regiment. Many high-ranking officers of our army worked in your regiment. It is hoped that you will continue to carry forward the glorious traditions of the Red Army under the specific conditions in the special economic zone, so as to make new contributions to the socialist four modernizations.

On the morning of 21 June, Chairman Jiang and his party drove to the barracks of a certain group army. With the burning sun directly overhead, he walked as if on wings and mounted scores of steps leading to a dormitory of a certain company, where he talked with soldiers in a club and a library. He inquired of them what books they like to read and what songs they like to sing and about their food, and also asked after their health with deep concern. The utmost solicitude shown by the general secretary touched the hearts of the soldiers very much.

Most units of the group army are in the Shantou and Shenzhen special zones. Chairman Jiang specially inquired about new conditions and new problems that the units stationed in the special economic zones have come across in recent years. He said to leaders of the group army: Being stationed in the special economic zones and open areas, your units should be more impressed by the great achievements made in reform and opening up over the past 10 years and should understand better and be more firm and resolute in implementing the party's line, principles, and policies. But on the other hand, you are in the forward position of ideological struggle and should withstand political and ideological tests. He emphasized that in resisting the corrosive influence of bourgeois decadent ideology, it is not enough to merely pay lip service. First of all, leaders at different levels should set an example to units through their own conduct. Leading cadres should know that example is better than precept and that it can play an exemplary role.

When inspecting Zhuhai, Chairman Jiang also cordially met with representatives of soldiers of "Steel Company No. 8 at the Outpost of the South China Sea," which was garrisoning an islet very close to Macao, as well as its commander Wang Yuting and soldier He Lian. This company was transferred to the islet in the 1950's. At that time, the enemy's special agent organs often raised a terrific hue and cry: "They can come with red hearts but they will certainly be degenerate when they move out." To this end, they often sent special agents to the islet for infiltration and sabotage and tried to corrupt the soldiers with money and beauties. Facing different forms of the

enemy's offensive, officers and men of the company are always steadfast in their stand, clear about what to love and what to hate, keep on guard against the corrosive influence of bourgeois ideology, and have successfully prevented themselves from ever changing their political color. The company has been cited as an advanced unit for years running and has won merits many times. In 1964 it was conferred the glorious title "Steel Company No. 8 at the Outpost of the South China Sea." In recent years the company has steadfastly maintained the political color of our army and remained a banner of keeping on guard against the corrosive influence of bourgeois ideology and never changing color, floating at the outpost of the South China Sea. Informed of this, Chairman Jiang was very happy and encouraged them to build the "Steel Company No. 8 at the Outpost of the South China Sea" into a steel fortress of resisting the enemy and the corrosive influence of bourgeois ideology.

After completing the inspection tour of the three special economic zones, on 27 June Comrade Jiang Zemin paid a special visit to the offices of the Guangzhou Military Region. At 0900 all officers and men of the "Red Company No. 1," which was established in Jinggangshan in 1930 and now is under a guards battalion of the Guangzhou Military Region, lined up to welcome their chairman.

In the room showing the glorious career of the "Red Company No. 1," Chairman Jiang looked carefully at medicinal herbs collected by the unit, straw sandals and bamboo hats used by soldiers of the company, gifts presented by Chairman Mao, and photos taken when Chairman Deng met with representatives of the company. Company Commander Mei Zhongqi told Chairman Jiang: The company was charged with the task of safeguarding the security of the Zunyi Conference and some of its members were bodyguards of Mao Zedong, Zhu De, Zhou Enlai, and other revolutionaries of the older generation. Hearing this, Chairman Jiang nodded with a smile and encouraged them and said: "Your company has glorious, revolutionary traditions and I hope you will preserve and carry them forward."

Leaving the "Red Company No. 1," Chairman Jiang went to meet with 28 hero models and representatives of hero model units of army, naval, and air force units stationed in the Guangzhou area. Zhu Dunfa, commander of the Guangzhou Military Region, introduced to Chairman Jiang Zhao Yanqing, a Lei Feng-type model from a certain unit of the Guangzhou Military Region, and his father, Zhao Yong, a veteran of the Red Army; representatives of an army acrobatic group, which is known as an advanced unit of learning from Lei Feng; and Huang Zijie, a progressive element in the national drive to help the needy and political commissar of the West Hubei Military Subdistrict. Chairman Jiang told them: I am quite aware of all your achievements, and you have done very well. When meeting with Ge Zhenlin, one of the "five Langyashan warriors,"

Chairman Jiang was very happy. He held the hero's hands for a long time and said: "Our veteran hero, you are still going strong."

In the Guangzhou Military Region, its Commander Zhu Dunfa and Political Commissar Zhang Zhongxian gave Chairman Jiang a briefing on the building of their units. Then they introduced to Chairman Jiang all comrades attending an enlarged meeting of the military region party committee. On the occasion, Chairman Jiang delivered a speech, noting that: After being elected chairman of the Central Military Commission I visited several armed units, but this is the first time for me to call on so many units in one journey. The Guangzhou Military Region is a PLA unit with a glorious history. Under the new situation of reform and opening up, the region has inherited and carried forward the fine traditions of our army, scored many successes in all fields of work, and the mental attitude of all officers and men is quite good. However, under the present complicated situation, the region should pay particular attention to the struggle against infiltration and corruption. In speaking of the fight against bourgeois liberalization, we mean that we should oppose the ideological trend of doubting and negating the four cardinal principles, with the focus on strengthening our conviction in socialism, adhering to the party's leadership, and occupying ideological positions with Marxism-Leninism-Mao Zedong Thought. We do not oppose foreign ideology and culture in general terms, but we should resist the corrosive influences of decadent bourgeois ideology and culture. We should organize armed units to study the basic theory of Marxism and Leninism and the works of Chairman Mao, Chairman Deng, and other revolutionaries of the older generation. We must make unceasing efforts to conduct education in ideals, conviction, patriotism, ethics, and revolutionary traditions, strengthen the building of armed units in an all-round way, and fight an offensive battle in the ideological sphere so as to raise the ability of officers and men to distinguish clearly between right and wrong, between the beautiful and the ugly, and between honor and disgrace, and to maintain the nature and natural color of the people's army.

#### Further on Li Ruihuan Remarks at Prize Ceremony

OW2707040590 Beijing XINHUA Domestic Service  
in Chinese 1140 GMT 26 Jul 90

[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 26 Jul (XINHUA)—A ceremony organized by "BAN YUE TAN" to award prizes for innovative ideological and political work took place in the XINHUA NEWS AGENCY offices this afternoon. Addressing the ceremony, Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, said that ideological and political work is our party's political advantage and tradition and is indispensable in building socialism. If we ignore or negate ideological and political work or fail to carry it

out earnestly and effectively, he said, it will be impossible to truly build socialism.

Also attending the ceremony and presenting prizes to the winners were Wang Renzhi, head of the Central Committee Propaganda Department, Yuan Baohua, president of the Society for Study of Workers' Political and Ideological Work, and Mu Qing and Guo Chaoren, president and vice president, respectively, of the XINHUA NEWS AGENCY. Li Feng, chairman of the "BAN YUE TAN" editorial committee, presided over the ceremony.

The winners of the 1989 special "BAN YUE TAN" prizes for innovative ideological and political work were Ma Juncai, party committee secretary and director of the Jinan Iron and Steel Plant in Shandong; Li Qisheng, party committee secretary of the Jilin Chemical Industry Corporation; Li Binhui, party committee secretary of the Shenyang Cable Plant in Liaoning; Li Jingzhen, head of the Propaganda Department of the Xiji County Party Committee in Ningxia; Zhu Zaichang, party committee secretary of the Guiyang Railway Sub-bureau in Guizhou; Wang Hai, director of the No. 9 Rubber Plant of Qingdao; Chen Zhi, party branch secretary of the No. 9 Work Team of the Fifth Oil Extraction Plant of the Daqing Oilfield; Shang Haitao, director of the Luan Mining Bureau in Shanxi; Zhou Chunling, political commissar of a regiment of the Shenyang Military Region; and Han Fengzhen, chief instructor of the Anyang City Young Pioneers in Henan. Ding Duo, director of the Beijing Railway Sub-bureau, and 31 others won ordinary prizes.

In his speech, Li Ruihuan extended warm congratulations to the comrades who had been awarded. He also paid respect and expressed thanks to those who organized the event.

Li Ruihuan said: To persist in ideological and political work, it is imperative, in the first place, to have a sufficient understanding of the need for this work. To truly persist in this work, we must be innovative and integrate our traditional experience and the present concrete and changing circumstances into an organic whole. It will be impossible to persist in this work without such integration, which itself is an innovation.

Li Ruihuan said: The proposal made by "BAN YUE TAN" for the ideological and political work prizes has a very distinct objective. It is a key measure for doing even better ideological and political work. He expressed the hope that this activity would be continued on the basis of the present work and carried out more successfully.

Li Ruihuan said: We are presently in urgent need of ideological and political work, and favorable conditions have arisen to develop this work in depth and on an extensive scale. It is understandable that ideological and political work stagnated in the general climate that prevailed over the past few years. With the favorable present conditions, I hope that you will rise up and make

concerted efforts with one mind to invigorate our ideological and political work. Li Ruihuan also expressed the hope that all propaganda units would do more propaganda work and give wider publicity to political and ideological work so that it would flourish and bear fruit on a broader scale.

Wang Renzhi and Yuan Baohua also gave speeches. They called on the comrades to bring into full play the advantage of political and ideological work and use ideological education in socialism, patriotism, and collectivism to uplift and influence people and arouse the enthusiasm of the whole nation to work for socialist modernization.

"BAN YUE TAN" established the innovative ideological and political work prizes in 1988 with its own funds for the purpose of encouraging the whole society to pay attention to, gear up, and improve this work during the new period. To qualify as a winner, one must have played a significant role and achieved striking results in ideological and political work in connection with the building of socialist material and spiritual civilizations, made remarkable innovations in ideological and political work while continually carrying forward our party's fine tradition in this regard, and written articles of fairly high standards combining the theory and practice of ideological and political work.

After the prize-awarding ceremony, Liu Ruihuan and other leading comrades, accompanied by Mu Qing and Guo Chaoren, visited the computer center and news dispatch center in the newly completed XINHUA News Building.

#### **Li Ruihuan Greets Forum on Ideology in Art**

OW2707040290 Beijing XINHUA Domestic Service  
in Chinese 1033 GMT 26 Jul 90

[Text] Beijing, 26 July (XINHUA)—The comrades at the national forum on the ideological orientation of artistic, calligraphic, and photographic creation, which ended here today, stressed: We must grasp the orientation of literary and artistic work and actively promote literary and artistic creation.

The forum was co-sponsored by the Chinese Artists' Association, the Chinese Calligraphers' Association, and the Chinese Photographers' Association. During the past five days, nearly 100 artists, calligraphers, and photographers from around the country held lively discussions on some of the important issues of literary and artistic thoughts and theories.

During the forum, Li Ruihuan, member of the Politburo Standing Committee and Central Committee Secretariat, telephoned to extend his greetings on the convening of the forum. He said: The three associations have done much in the last few years to promote and develop art, calligraphy, and photography in China and have scored great achievements. I hope that all of you will make serious efforts to study both Chairman Mao's

thoughts on literature and art and Comrade Deng Xiaoping's theories on literary and artistic work, and uphold the "orientation of serving the people and socialism" and the "policy of letting a hundred flowers blossom and a hundred schools of thought contend" to make new contributions to development of a flourishing socialist culture.

Comrades at the forum painstakingly reviewed the situation in literary and artistic circles since the Third Plenary Session of the 11th CPC Central Committee and argued that artistic creation in terms of materials, form, and style has developed greatly in the past 10 years, and that a large group of new talent has emerged. Since the formation of the Chinese Calligraphers' Association 10 years ago, many exhibitions have been held, many books published, and much talent and many works have emerged. The number of people engaged in calligraphy has reached a new high. Similar advances also have been made in photography, and there have been gratifying results in the field of photographic theories and works. It was learned that there are 11,000 members in the three associations.

Comrades at the forum also evaluated the current situation and future outlook. They noted: When the spread of bourgeois liberalization was at its peak, the three associations were affected to varying degrees. This was primarily indicated by a weakening in the main theme of creation and the opposition of some people to tradition, and cases of people indulging in national nihilism. They expressed that, from now on, they must devote greater efforts to the study of and firmly establish the guiding position of Marxism and Mao Zedong Thought in literature and art, and confidently grasp the orientation of literary and artistic development by highlighting major themes and upholding their diversification to make new contributions to promoting socialist literary and artistic creation.

During the forum, Meng Weizai, concurrently deputy secretary of the leading party group and secretary of the China Federation of Literary and Arts Circles, and Yi Shoushi, executive vice president of the Federation, addressed the meeting. Renowned calligraphers, artists, and photographers who spoke at the forum included Qi Gong, Shao Yu, Gu Yuan, Wang Chaowen, Xu Xiaobing, and Gao Fan.

#### **Li Ruihuan Speech at Family Planning Forum**

OW2607115790 Beijing XINHUA Domestic Service  
in Chinese 1118 GMT 4 Jul 90

[Text] Beijing, 4 Jul (XINHUA)—Speech at the National Forum of Representatives of Advanced Workers in Publicizing and Implementing the "Open Letter," 4 July 1990, Li Ruihuan.

Comrades:



It has been almost 10 years since the CPC Central Committee issued the "Open Letter to All Party Members and Members of the Communist Youth League [CYL] on Controlling the Growth of China's Population" [the Open Letter] on 25 September 1980. It is a very necessary and meaningful thing for the General Office of the CPC Central Committee, the Propaganda Department of the CPC Central Committee, the CYL Central Committee, and the State Family Planning Commission to jointly hold this forum of representatives of advanced workers in publicizing and implementing the "Open Letter" to exchange experience and encourage advanced workers. On behalf of the party Central Committee, I hereby extend my cordial regards and express my sincere thanks to all representatives attending this forum and to all party members, CYL members, and family planning workers who have made contributions to controlling China's population growth.

Family planning work is a very important matter in China. As pointed out by Comrade Deng Xiaoping: "Strictly controlling China's population growth is in China's vital interests"; family planning is a major strategic decision in carrying out China's socialist modernization program. To successfully accomplish this task, we need both the guidance of an effective state policy and our faith in and reliance on the masses' self-consciousness and initiative. The reason the Central Committee issued the "Open Letter" 10 years ago was precisely because it wanted to motivate party and CYL members to take the lead and set an example for the entire society in practicing family planning. Facts have proved that the "Open Letter" has yielded very good results. Calculated on the basis of the birth rate of 1970, the country has had more than 100 million fewer births in the past 10 years. To a certain extent, this has eased contradictions between excess population growth and economic development and has created favorable conditions for solving food, clothing, housing, transportation, medical service, educational, and other problems in urban and rural areas. The comrades attending this forum and the millions of party and CYL members and family planning workers are all creators of this tremendous achievement. The party and government thank you for your efforts, and your contributions will be recorded by history.

We must realize that the population situation in the 1990's will still be very serious. In the last few years, the nation's population has grown by about 15 million annually. This figure is about the total population of a medium-sized country. In the early 1990's, there will be an average of 320 million women reaching child-bearing age annually across the nation, placing the country at the peak of its third highest birth rate period. Even if family planning work is carried out strictly according to established policies, the nation's population would still exceed 1.2 billion in 1995, five years earlier than what we have envisioned. If we do not carry out family planning work strictly according to established policies and allow the population to continue to grow, both the economy and

society will be unable to bear such a burden, the improvements in people's livelihood achieved over the past 10 years will be erased, and the strategic goal of developing the country's economy in three steps will be difficult to achieve. This danger actually exists. Currently, family planning work is quite difficult. In many localities, especially in rural areas, violations of established family planning policies such as having children too early and having more children than permitted are quite serious. Therefore, strictly controlling the country's population growth is still a heavy and urgent task facing the party and all people.

The Central Committee hopes that all party and CYL members will further mobilize themselves to continue to publicize and conscientiously carry out the guidelines of the "Open Letter," attach importance to and take the lead in carrying out family planning work, and set good examples for the people.

—We should set an example in implementing the established policies. Adhering to the established family planning policies and carrying them out faithfully across the country, especially in the vast rural areas, are currently the keys to strictly controlling population growth. All party and CYL members must set a good example in carrying out established family planning policies. They should take the lead in getting married and having children at an older age and in having fewer children and taking good care of them. They should take the lead in having one child per couple, in practicing birth control, and in persuading their children and relatives to follow in their footsteps. As long as all party and CYL members ensure that they and their family members will strictly follow established family planning policies and can persuade their neighborhood to follow their example, implementation of established family planning policies will be guaranteed fundamentally.

—We should set an example in educating the people. Getting rid of old views on marriage and child-bearing and establishing new ones, making family planning work a success, and forming a civilized, healthy, and scientific lifestyle are actually extensive and in-depth social reforms. We must properly conduct among the broad masses in-depth work of publicizing and explaining and patient and meticulous ideological and political education for a long time. We should make constant efforts to get rid of feudal ways of thinking, oppose the traditional idea that "more children bring greater fortune" and that men are superior to women, and oppose the idea that having children is one's private business. We should take the lead in transforming social traditions. We should make unrelenting efforts to publicize the policies on and the need for family planning and disseminate scientific knowledge about contraception, birth control, having fewer children and taking good care of them, and about health care for women and children, to enhance the masses' ability to understand and accept the idea of family planning. In particular, party and CYL members in

rural areas should understand the masses' way of thinking so as to effectively carry out family planning work in every village and household.

—We should set an example in serving the masses. In carrying out family planning work, we should integrate solving ideological problems with solving practical problems. On the one hand, we should think of what to ask the masses to do, and, on the other hand, we should think of what we can do for the masses. All party and CYL members should think what the masses think, be eager to help them, and do as much practical family planning work as possible. In addition, we should encourage establishment of child care centers, nursing homes, and other kinds of social security and service facilities; help families with one child to improve their livelihood; do farming work for families short on labor force; give preferential treatment to these families; and take care of women from these families who have just undergone contraceptive surgery. To solve some families' practical problems in production and daily life that arise from practicing family planning, and to free them from worrying about these problems, are a difficult thing in our current family planning work and an important problem that we must not overlook and must do our best to resolve.

The whole society should attach importance to and support family planning work and strive to create favorable conditions for carrying it out. Medical and public health departments have close relations with family planning work. These departments' work concerning family planning must be reformed, improved, and strengthened. They must not relent in conducting their work. Radio stations, television stations, the press, publishing houses, educational institutions, and cultural establishments should continue to attach importance to and properly conduct the publicizing of family planning work; report on the current population situation and policy in a regular and lively manner; and widely publicize the deeds and experience of advanced units and individuals in carrying out family planning work. In establishing and implementing policies on registering for child care, on school registration, and on providing medical service, hiring workers, enlisting students, assigning houses in urban areas, and apportioning land for building private houses in rural areas, we must ensure that these policies are conducive to carrying out family planning work and that they do not hamper it. We should continue to improve our work and carry it out effectively. In addition, scientific research work on family planning should also be improved. In short, we should employ various means to create a good social environment and atmosphere for media reporting in controlling population growth and improving the quality of our population.

Party committees at all levels should attach great importance to family planning work. They should place it high on their work agenda, grasp it constantly and repeatedly, and truly strengthen their leadership over this work. They should include the population plans in the local

economic and social development plans so that they can grasp material production and population growth at the same time and make simultaneous efforts to implement the two plans and appraise their efforts to meet the two targets. It is necessary to organize and coordinate with all departments concerned to grasp and manage this work. It is necessary to be adept at relying on the efforts of all social sectors to organize and establish a broad contingent of activists in carrying out family planning work. Family planning associations at all levels are good self-education, self-management, and self-service organizations of the masses, and their roles should be brought into full play. Mass organizations such as CYL organizations, women's federations, and trade unions all have their advantages in this respect. They should regard it as their regular task to support family planning work, and should grasp it firmly and earnestly.

Comrades, our party has some 49 million members, and the CYL has 56 million members. The party and CYL membership constitutes one-tenth of China's total population. In whatever work our party is doing, especially in painstaking and difficult tasks, tasks requiring people's sacrifice and dedication, and tasks that are important and urgent but cannot be fully understood by a relatively large number of the masses for the time being, we would always ask the Communist Party and CYL members to take the lead. This is a fine tradition of our party and is our political advantage. As for the various practical tasks of controlling population growth, as long as all Communist Party and CYL members take the lead, the avenue for family planning will become broader and broader, and we will be able to unite the people throughout the country to continually advance this cause, which is in the interest of our people and which will yield benefits for centuries to come.

#### Qiao Shi Meets Xinjiang Weather Station Workers

OW'2607224890 Beijing XINHUA Domestic Service  
in Chinese 1327 GMT 26 Jul 90

[Text] Urumqi, 26 Jul (XINHUA)—Qiao Shi, member of the Political Bureau of the CPC Central Committee, met with representatives of the model workers of the Air Force's Hongqilafu Weather Navigational Station, which was recently conferred the title "Model Weather Navigational Station" by the Central Military Commission, on 23 July in Urumqi.

Qiao Shi spoke highly of the weather station's achievements and its staff's hard work and selfless devotion under extremely difficult environmental and living conditions. He encouraged the commanders and fighters to further carry forward the glorious tradition of hard work and to make new contributions to the four modernizations drive.

Present at the meeting were Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, Zhu Guang, political commissar of the Air Force, and leaders of the Xinjiang Uygur Autonomous Region.



### **Report on Party Building, Relations With Masses**

HK2707062190 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 27, 2 Jul 90 pp 3-5

[Article by Yao Lishi (6008 0500 4258): "The CPC Has Seriously Strengthened Party Building in the Past Year"]

[Text] Following the establishment of the new CPC leadership collective with Jiang Zemin as the core since June of last year, the CPC has from top to bottom achieved marked progress in paying close attention to strengthening party building and making strenuous efforts to please the broad masses. Deng Xiaoping used the term "fruitful" to assess the work of the new CPC Central Committee leadership collective.

#### **Start From the Top Leadership**

As a ruling party, the CPC, the force leading China's socialist modernization program, regards working for the interests of the state and the people as its responsibility. The majority of party members stick to the party's principles, wholeheartedly serve the people, and are loved by the people. For various reasons, however, negligence of party building under the situation of reform and opening up over the years has resulted in a handful of party members and leading cadres abusing power for personal gain and embarking on the road of degeneration. Such practices have evoked strong discontent among the masses. A survey of 10,000 people conducted by the Organization Department of the Jiangxi provincial party committee found that 8,477, or 77.54 percent of the total, believed that party corruption has harmed the relations between the party and the masses. In his speech to leading comrades of the central authorities, Deng Xiaoping said: "The comrades of the Standing Committee should focus their attention on party building."

For this reason, following the Fourth Plenary Session of the 13th CPC Central Committee, the new leadership collective lost no time in stepping up party building after the political disturbance which took place between last spring and summer and started from the top leadership.

In August of 1989, the plenary session of the CPC Central Committee Politburo deliberated and adopted the "Decision of the CPC Central Committee and State Council on Recently Doing Some Things of Mass Concern." The seven issues include further screening and consolidating companies, resolutely checking the practices of children of senior level cadres engaging in businesses, ceasing the "special supply" of a small amount of food to leaders and providing cars in strict accordance with regulations, strictly forbidding the practices of entertaining guests and sending presents, exercising strict control over visits by leading cadres abroad, and seriously investigating and handling the criminal cases of corruption, bribery, and speculation, particularly stepping up efforts to deal with major and important cases. The decision stressed that members of the

Politburo, Secretariat, and State Council Standing Committee should take the lead in implementing this decision.

Following promulgation of the decision, the people on the mainland unanimously praised it and expected its implementation in the near future. Not long afterwards, news spread that the Beijing Food Supply Center had ceased the "special supply" of food to relevant leaders commencing in August. Their rationed supply of meat, sugar, and eggs would be the same as the ordinary Beijing inhabitants. The departments concerned of the State Council changed the luxurious imported cars used by leaders of the CPC Central Committee and State Council to China-made cars. By the end of September 1989, children of members of the Politburo, Secretariat, and State Council Standing Committee had already withdrawn from the companies of the circulation field.

#### **Advocate Cleanness and Fight Corruption, Strictly Administer the Party**

According to the requirements of the CPC Central Committee and State Council, China's supervisory organs and the CPC's discipline inspection organs regarded the struggle against corruption as the focus of their work over the year. They concentrated forces to examine and handle major and important cases. First, they examined the cases of leading cadres abusing powers to deal with financial affairs and adopting various means to obtain illegal benefits; second, they examined the cases of serious loss caused by dereliction of duty; and third, they examined serious problems of mass concern which evoked strong social discontent, such as building above-standard houses and eating and drinking at public expense.

In 1989 alone, the discipline inspection organs filed for investigation a total of 13,057 major corruption and bribery cases each involving over 10,000 yuan, punished 875 county office level cadres which included 70 department and bureau level cadres, and investigated the problems of one provincial government level cadre and one department level cadre who both assumed deputy posts. Disciplinary action has been taken against both Tuohuti Shabier, vice chairman of the Xinjiang Uygur Autonomous Region Government, and Cao Bin, deputy executive head of the Propaganda Bureau of the CPC Central Committee Propaganda Department, for accepting bribes of 15,000 yuan and 17,000 yuan, respectively. Violation of law and discipline in the Qinghai Kekexili gold mining case has been handled. Many gold miners died because of the heavy snow by the end of last May. The responsible persons involved in the case have all been punished: Former mayor and vice mayor of Geermu City have been investigated for corruption and bribery, and administrative disciplinary measures have been taken against the former governor and vice governor. The CPC Central Committee and State Council have removed Hainan Governor Liang Xiang from all his posts inside and outside the party for abusing power for personal gain, violating financial discipline, and

encouraging and supporting his wife and son to seek private gain. Since 1988, Luo Yunguang, former vice railway minister, accepted bribes of 2,000 yuan, a gold ring (worth 465 yuan), and a refrigerator worth 2,354 yuan offered by former deputy director Pan Keming of Zhengzhou Railway Bureau and others. He also received an illegal income of 950 yuan. With the approval of the CPC Central Committee, the Central Discipline Inspection Commission recently expelled him from the party (prior to that, the State Council made a decision on removing him from the office of vice railway minister). At the same time, former Director Xu Jun and seven other bureau-level party officials of the Railway Ministry transport department were also expelled from the party for seriously violating law and discipline.

The screening and consolidating companies has also proceeded smoothly. To date, China has investigated and handled 90,000 cases of companies violating law and discipline, of which 20,000 are major and important cases, and punished a number of lawless elements. The former deputy director and deputy secretary of the Shanxi import and export committee party group and managing director Li Rui of the China Truck Enterprise Corporation were expelled from the party for illegally running companies. Former manager Ge Datong of the Shenzhou Economic and Technological Development Company and deputy head Chen Kaizhi of the Guangzhou Branch of the China Northern Industrial Company were both arrested for swindling and violating the law in businesses.

In recent years, the unhealthy tendency of party cadres building private houses in violation of discipline and renovating residential houses exceeding the standard has appeared in some localities. Cao Shuhua, deputy head of Nanyue district, Hengyang, Hunan abused his powers to obtain a loan of 98,000 yuan to build two private bungalows. He sold one of them and leased the other, making an exorbitant profit of 170,000 yuan. Cao was expelled from the party and the judicial organs sentenced him to seven years in prison.

Mai Xiaozhou, secretary of Guangdong Doumen County party committee, was sternly criticized by the party in 1985 for building a house exceeding standards. He violated regulations again in 1988, occupied a space of 280 square meters, and built a bungalow covering 460 square meters. Under his influence, the unhealthy tendency of building above-norm residential houses prevailed again in the county. The Guangdong Provincial CPC Committee decided to remove Mai Xiaozhou from the offices of member of the Zhuhai City party committee and secretary of Doumen County party committee.

On 12 June this year, the Central Discipline Inspection Commission circulated a notice on the typical cases of building private houses in violation of discipline or exceeding standards. The people involved include Zhang Junqiu, director of Jilin's Junyu County Pricing Bureau, Mao Jinshan, standing committee member of Ningxia's

Pingluo County party committee and director of the United Front Department, deputy director Yang Shengmao, and Wang Qinghai, deputy director of the Shenyang Farm Machine and Motor Industrial Bureau.

According to statistics of 22 provinces and cities, 32,000 cases of violation of party discipline were handled in the latter half of last year, in which 597 county level cadres and 45 provincial level cadres were involved.

Thus we can see the determination of the new CPC leadership in punishing corruption.

### **Strengthen Education, Improve the Qualities of Party Members**

The CPC is a ruling party with 48 million members. Large numbers of party members work in state organs. Over the past year, the new CPC leadership collective has paid great attention to conducting education in party spirit and wholeheartedly serving the people among the vast numbers of party members for the sake of improving their political and ideological qualities.

On the one hand, the party's discipline inspection work has been strengthened. The party discipline inspection organs at all levels continuously circulated notices of the typical cases of party members and party leading cadres violating law and discipline, urging party members to draw lessons from negative examples. On the other hand, the CPC attaches great importance to the party schools at various levels and to giving full play to their role of improving the qualities of party members. A national conference of party school presidents is now in progress in Beijing. Jiang Zemin and other leaders attended the conference and delivered speeches. While meeting with party school presidents attending the conference, Jiang Zemin urged them to improve the qualities of party members in five respects which include studying Marxist theory, upholding the four cardinal principles, and wholeheartedly serving the people.

The conference stressed: In view of the practices of some party members who neglect the study of Marxist theory, it is necessary to adhere to the fundamental method of integrating theory with practice. At the conference, Lu Feng, head of the Central Organization Department, said: If cadres are to be promoted to a higher level in the future, generally speaking, they must receive Marxist theoretical training in party schools. A RENMIN RIBAO commentator's article said that the conference of party school presidents "is an important measure adopted by the CPC Central Committee to unswervingly grasp party building."

### **Maintain the Party's Close Ties With the Masses**

In view of the danger of the party becoming divorced from the masses, the new CPC leadership collective has worked for improving and strengthening party leadership and maintaining the party's close ties with the masses. In February of this year, the CPC issued the

"Circular of the CPC Central Committee on Strengthening and Improving Party Leadership Over Trade Union, Youth League, and Women's Federation Work" for the sake of giving full play to these mass organizations' roles as bridge and link. In early March, the Sixth Plenary Session of the 13th CPC Central Committee examined and adopted the "Decision of the CPC Central Committee on Strengthening the Party's Ties With the Masses," which proposed establishing and perfecting a democratic and scientific policy decision procedure, reiterated the seven requirements including the system of cadres at all levels frequently going down to the grass-roots units, and stressed efforts to resume and carry forward the party's fine tradition and style of maintaining close ties with the masses.

In the first spring of the 1990's, China's political life presented a gratifying scene: Cadres of party and government organs from the center to localities went down to factories, rural areas, schools, and neighborhoods to experience mass feelings and do practical things for the masses. To date, 970,000 party and government cadres from the center to localities have gone to the basic levels to maintain the party's close ties with the masses in the forms of work groups, investigation and study teams, assuming posts at grass-roots units, and handling office business on the spot. Tens of thousands of cadres from Hebei have gone to the grass-roots levels to help some 5,000 village party branches put an end to their backwardness and help 1.42 million poor households eliminate poverty. Beijing resumed the system of cadres taking part in labor and stipulated that municipal cadres should take part in labor for no fewer than 15 days a year.

The "Decision of the CPC Central Committee on Strengthening the Party's Ties With the Masses" also regarded mass visits and letters of complaints as essential means to strengthen the party's ties with the masses. The General Office of the CPC Central Committee and the Bureau for Handling Mass Visits and Letters of Complaints under the State Council's General Office recently held a meeting of responsible persons from 20 provinces, autonomous regions, and municipalities responsible for handling mass visits and letters of complaints to spread the experience of Henan's Xixian County Party Committee and government and six other units. The leaders of Xixian County Party Committee and government read over 2,500 letters sent by the masses over the past year or so. They also placed on file for immediate investigation some 1,200 letters which reflected outstanding problems, winning the trust of the masses. To enable the masses to give account of their problems, Li Mingzhu, Hebei Xingtai prefectural party secretary, also made public his office telephone number. He read all the letters sent by the masses and generally wrote in return to those that provided addresses and names.

Thanks to the marked achievements made in party building, the party and social mood has improved remarkably and the party's integration with the masses

has gradually increased. As there are still problems at present, the work of party building should continue perseveringly and unswervingly.

#### Forum Views Progress in Discipline Inspection

OW2707045590 Beijing XINHUA Domestic Service  
in Chinese 1256 GMT 25 Jul 90

[By Central People's Broadcasting Station reporter Wei Chiya (7614 6375 1246) and XINHUA reporter Liu Siyang]

[Text] Shanghai, 25 Jul (XINHUA)—Discipline inspection organs at various levels have been playing an important role in improving party workstyle. At an ongoing forum in Shanghai on the work of the Central Discipline Inspection Commission in north, east, and northeast China, these reporters have learned that, in 1989, more than 197,000 cases of discipline violations were investigated and handled within the party, and over 158,000 party members were punished. Of those punished, 3,090 were county- or regimental-level cadres, 253 department- or bureau-level cadres, and 16 provincial- or ministerial-level cadres, and 33,487 persons were expelled from the party.

Focusing their attention on the party's central task, discipline inspection commissions at various levels have regarded as one of their important duties over the past few years the smooth development of economic improvement and rectification and the deepening of reform. They also have done much work in screening and consolidating companies, conducting financial and tax checks, and straightening out the market for capital goods and the construction market. In investigating cases, the Beijing Municipal Discipline Inspection Commission assisted the enterprises that had been investigated in consolidating their leading bodies, formulating and improving rules and regulations, and improving their management and operations, thus protecting reforms and promoting the development of enterprises. Discipline inspection commissions at various levels in Jiangsu Province helped economic departments analyze nonbusiness losses incurred by enterprises. In this way they solved cases of discipline violations and helped enterprises resume operation and invigorate themselves. Discipline inspection organs in Suzhou City analyzed 439 enterprises that had suffered nonbusiness losses, of which approximately 40 percent made up their deficits and earned some money in the same year.

Proceeding from reality, party committees and discipline inspection commissions at various levels have achieved results in solving problems of being divorced from the masses and seeking or enjoying privileges. Jiangxi Province has laid down strict rules according to local conditions that leading cadres should stop wining and dining at public expense. Hebei Province engaged in fraud when evaluating and determining professional titles, which was conscientiously investigated and rectified. Of those who were given professional titles, 28,000 persons were found to be unqualified, and 16,000 of these cases have



already been handled. This has received favorable comments from the masses. Cases of cadres buying high-grade durable consumer goods at low prices were investigated in Zhejiang Province. As a result, 2,904 party members, cadres, and government functionaries had to pay 1.628 million yuan in arrears and to return 56 items which had not been opened. Meanwhile, Heilongjiang Province sent more than 50,000 cadres to check on housing last year. They handled problems related to the utilization of public funds and materials for the construction of houses for the personal use of more than 4,000 party members and cadres, had them return over 60 million yuan, and took over more than 1,200 vacant family units or housing that exceeded their needs. They also openly handled violations of the law and discipline involving more than 300 persons. In Hebei, Fujian, Anhui, and other provinces, vigorous efforts have been made to overcome obstructions and to thoroughly tackle Problems of party and government leaders building houses for personal use in violation of discipline, and thus have basically checked this unhealthy tendency.

### Song Jian Calls For Maintaining Nature Reserves

GW2707064290 Beijing XINHUA Domestic Service  
in Chinese 1340 GMT 23 Jul 90

[By Reporter Zhu Youdi (2612 1635 2769) and Zhao Yuqing (6392 3768 1987)]

[Text] Changchun, 23 July (XINHUA)—At the closing session today of the national work conference on nature protection, Song Jian, state councillor and chairman of the State Environmental Protection Committee, proposed that in dealing with environmental protection and efforts to prevent pollution and bring it under control, China must gradually intensify its efforts to build a better environment. At the present moment, we must accord full attention to the building and management of our nature reserves.

Song Jian said: The protection of nature is a complex issue that requires the coordination and support of all localities and departments. The tasks involved in protecting nature are numerous, such as preventing industrial pollution, soil erosion, deterioration of grasslands, desertification, and excessive logging, as well as promoting eco-agriculture and protecting the urban ecosystem. Forceful measures are needed to ensure their success.

Qu Geping, vice chairman of the State Environmental Protection Committee and director of the State Environmental Protection Bureau, called on environmental protection departments at all levels to work with all relevant departments to find out as soon as possible the state of environmental protection in their localities, and to draw up plans to develop nature reserves. Priority should be given to natural ecologies worth protecting and which are in dire straits.

### Provisions on Crimes Involving Obscene Materials

OW2707055890 Beijing XINHUA Domestic Service  
in Chinese 0950 GMT 16 Jul 90

["Provisions of the Supreme People's Court and the Supreme People's Procuratorate Regarding the Application of Specific Laws To Deal With Criminal Cases Involving Obscene Materials—Issued on 6 July 1990"—XINHUA headline]

[Text] Beijing, 16 July (XINHUA)—To accurately and effectively strike at crimes involving the production, sale, dissemination, and smuggling of obscene materials, the following provisions have been drawn up on how to apply specific laws to deal with current criminal cases involving obscene materials:

1. Any situation listed below involving the production, sale, and dissemination of obscene materials for profit shall be prosecuted according to Article 170 of the Criminal Law:

(a) The production of five to 10 or more obscene video tapes, 10 to 20 or more obscene audio tapes, 10 to 20 or more obscene playing cards, books or pictorials, or 50 to 100 or more obscene photographs or pictures;

(b) The sale of 10 to 20 or more obscene video tapes, 20 to 40 or more obscene audio tapes, 20 to 40 obscene playing cards, books or pictorials, or 100 to 200 or more obscene photographs or pictures;

(c) The dissemination of obscene materials to 25 to 50 persons or more, or the exhibition of obscene movies or video tapes three to six times or more; or

(d) Receiving profits between 500 to 1,000 yuan or more from the production, sale, and dissemination of obscene materials.

2. Any situation listed below involving the production and sale of obscene materials for profit which not only violates the law on the production, sale, and dissemination of obscene materials but also the law on speculation shall be prosecuted according to Article 118 of the Criminal Law:

(a) The production of 25 to 50 or more obscene video tapes, 50 to 100 or more obscene audio tapes, 50 to 100 or more obscene playing cards, books or pictorials, or 250 to 500 or more obscene photographs or pictures;

(b) The sale of 50 to 100 or more obscene video tapes, 100 to 200 or more obscene audio tapes, 100 to 200 or more obscene playing cards, books or pictorials, or 500 to 1,000 or more obscene photographs or pictures;

(c) Illegal operations with a business volume of between 15,000 to 30,000 yuan or more, or receiving profits between 5,000 to 10,000 yuan or more.

Cases involving the production and sale of obscene materials for profit in which the volume (value) is 10 times or more than that listed in the preceding sections, or the nature of which is especially serious, may be punished according to Article One, Section (a) of the "Decisions of the Standing Committee of the National People's Congress Regarding Punishment for Crimes Which Seriously Damage the Economy."

3. Any situation listed below involving the production and sale of obscene materials shall be prosecuted according to Article 160 of the Criminal Law.

(a) The use of obscene materials to instigate or entice others to engage in indecent behavior;

(b) The main culprit in the use of obscene materials to engage in group promiscuous activities, or serious incidents in which obscene materials are used to humiliate or act in an indecent manner toward women.

(c) The regular dissemination of obscene materials that causes serious harm to society;

(d) The use of obscene materials to engage in other indecent or criminal activities.

Those prosecuted for indecency under the preceding sections, if the nature of their offense is especially serious, may be punished according to Article One, Section (a) of the "Decisions of the Standing Committee of the National People's Congress Regarding Punishment of Criminals Who Seriously Endanger the Public Order."

4. Those who smuggled five to 10 or more obscene video tapes, 10 to 20 or more obscene audio tapes, 10 to 20 or more obscene playing cards, books, or pictorials, or 50 to 100 or more obscene photographs or pictures are deemed to harbor the intent of using them for seeking profits or dissemination, and may be prosecuted under Article 3 of the "Supplementary Provisions of the Standing Committee of the National People's Congress Regarding Punishment for Smuggling."

5. As for the smuggling of obscene materials by enterprises, institutions, offices, and organizations, Article 5 of the "Supplementary Provisions of the Standing Committee of the National People's Congress Regarding Punishment for Smuggling" shall be applied, and the units concerned shall be prosecuted for criminal liabilities. As for cases of production and sale of obscene materials for profit with an illegal business volume between 150,000 and 300,000 yuan or with an illegal profit between 50,000 and 100,000 yuan, the responsible persons in charge and other responsible persons directly involved in the cases shall be prosecuted on charges of speculation and profiteering, and subjected to investigations to determine their criminal liabilities.

6. In line with the relevant quantities (amounts) specified in these provisions, the higher people's courts and procuratorates of various provinces, autonomous regions, and municipalities may set standards of quantities (amounts) for their respective localities and report these quantities (amounts) to the Supreme People's Court and the Supreme People's Procuratorate for the record.

7. If the quantity (amount) of obscene materials produced, sold, disseminated, or smuggled has reached the quantity specified in Articles 1 and 4 of these provisions but the case is apparently minor, administrative punishment may be carried out by the administrative department according to law. If the quantity (amount) involved

in the case is less than the specified quantity (amount) but the case is seriously harmful and constitutes a crime, it shall be dealt with by the judicial department according to law.

8. For the judicial department to deal with a case of obscene materials, there shall be a list of the obscene materials and necessary photographs provided by the public security organ as well as an appraisal report by the appraising department. If the People's Court or the People's Procuratorate deems it necessary to reexamine the conclusion of the appraisal, the principal personnel dealing with the case may go to the appraising department to conduct reexamination, with the approval of the president of the People's Court or the procurator general of the People's Procuratorate.

9. The terms used in these provisions are defined as follows:

(a) "Obscene materials" are audio and video products, books, and pictures of an obscene nature;

(b) "Production" refers to such acts as producing, recording, reproducing, writing, compiling, drawing, publishing, printing, photographing, developing and printing, and reproducing photographs from other photographs;

(c) "Sales" refers to such acts as selling and distributing; and

(d) "Dissemination" refers to such acts as replaying, leasing, lending, transporting, and carrying.

10. These provisions take effect on the date of promulgation. After becoming effective, these provisions will be applicable to criminal cases of obscene materials which are currently in process.

### Five Million Seek To Change Nationality Identity

HK2707011290 Beijing CHINA DAILY in English  
27 Jul 90 p 3

[By staff reporter]

[Text] Forty-eight-year-old Tai Hang, a doctor at Beijing Jiuxianqiao Hospital, petitioned the Beijing Nationalities Affairs Committee to allow her to change from Han nationality to Manchu.

In her application, she said that her parents were both Manchu nationality but that she was known as Han Chinese because of her parents' "mistakes in registering her nationality identity when she was very young."

In order to prove her argument, she presented all necessary identifying papers issued by the local police stations.

Considering the case conscientiously, the committee decided to meet her request.

Tai is one of five million Chinese people who have asked to have their nationality identity changed.

An official from the committee said that many requests came because of mistakes made when the person's nationality identity was originally registered.

Other requests were made for historical reasons. For example, many Han nationality people from Northeast China have asked to be recognized as of Manchu nationality.

He said that many Manchu people, a nationality who ruled China during the Qing Dynasty from 1644 to 1911, did not dare claim their nationality identity before because they feared prejudice and discrimination.

Sources with the Political and Law Department of the State Nationalities Affairs Commission said that allowing the nationality changes has been a way to better carry out the country's nationalities policy.

Some people, however, want to change their nationality identity to take advantage of benefits given by the governments to ethnic minorities, the sources said.

The State has always offered preferential treatment for ethnic minorities in such areas as education and birth control.

To address this problem, the Commission, along with the Fourth Population Census Leading Group of the State Council and the Ministry of Public Security, issued a circular last month which laid out the ground rules for people who want to change their nationality.

Sources at the Commission said the Chinese Government was cautious on this issue and has tried to keep the number of applicants as low as possible.

"A large-scale change-over can result in a chain of problems," one source said.

For instance, enlarging the population of ethnic minorities could lead to the establishment of new minority autonomous zones.

So far China has 57 autonomous regions, prefectures and counties, with the ethnic minority population accounting for about nine per cent of China's 1.1 billion people.

"And this," the source said, "will cause changes in many policies."

According to the circular, requests for an identity change will be contemplated "strictly according to practical conditions and their own wills, as well as in reference to family tree documents and origin of surnames."

Almost all applicants aged 18 or below, who used to register as Han Chinese, are permitted to make the change.

The requests are often put forward by their parents of minority nationalities, the sources said.

And those aged 18 to 20 can reselect their nationality identities by themselves.

Those over 20 are allowed if their parents are identified as from the same minority nationality.

The sources said that requests from groups to become recognized as single ethnic nationalities had been halted.

They said 55 ethnic nationalities had been identified in accordance with "the practical situation" and "wills of these groups" by 1979 when the last ethnic group, Jinuo, was confirmed in Southwest China's Yunnan Province.

However, about 10 groups, mainly in Southwest China, have still been applying to become recognized as "single ethnic groups."

## Military

### PLA Air Force Supports State, Local Construction

OW2607144190 Beijing XINHUA Domestic Service  
in Chinese 0516 GMT 26 Jul 90

[Text] Beijing, 26 Jul (XINHUA)—The People's Air Force has made nearly 5,000 sorties to support state and local economic construction this year.

According to the department concerned, the flying missions of the Air Force mostly include flying over the sites of the Asian Games for safety protection, planting trees, preventing and eliminating forest fires, eliminating insects, seeding artificial rain, bombing iceblocks in the Huanghe to prevent danger, air surveys of the Huanghe source, flying tests for the purpose of scientific research, and mine detecting.

Since the beginning of this spring, the People's Air Force has helped plant trees on 3.41 million mu in more than 10 provinces and autonomous regions, including Shaanxi, Gansu, Hunan, Guangxi, and Sichuan. This June, white moths appeared in Shaanxi's Wugong Prefecture and caused serious damage to woods and crops in this area. An Air Force unit immediately made 62 sorties to spray insecticide and achieved good results.

There was severe drought in Heilongjiang, Hebei, Shandong, Guangdong, Inner Mongolia, and Ningxia this spring and summer. Therefore, the Air Force sent aircraft to seed artificial rain in time. On 16 May, artificial rain fell in Shandong Province, with the greatest precipitation of 80 millimeters in some places. Artificial rain also fell in an area of 8,000 square kilometers in Hebei's Xingtai, Lincheng, and Quzhou on that day, ensuring smooth progress of spring farming in those areas.

### Marshal Stresses Party Leadership Over Army

OW2607135890 Beijing XINHUA Domestic Service  
in Chinese 0432 GMT 25 Jul 90

[Newsletter titled "Earnest Advice—A Visit with Marshal Nie Rongzhen," by XINHUA NEWS AGENCY reporter Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 25 Jul (XINHUA)—On a cool afternoon prior to "August 1," after acquiring permission from the medical personnel, I came to Marshal Nie Rongzhen's home to visit the only surviving leader of the Nanchang Uprising.

The flowers and plants in the courtyard looked ever more luxuriant and green after being washed by several showers of rain. The small living room was tucked among green trees and bamboo.

The 91-year-old marshal, with eyes still keen and sharp, spoke clearly and with a Sichuanese accent.

His secretary told me: Marshal Nie is very interested in major events at home and abroad and cares about the building of the Army. Every day he reads or has newspapers read to him in the morning, reads or has documents read to him in the afternoon, and watches news on television in the evening. He has said that anyone who does not care about major events happening at home and abroad is no communist.

He remembered vividly the "August 1" battle, fought in the southern theater.

The old marshal's eyes lit with excitement and his voice grew louder when he began to talk about the battles fought in the revolutionary bases in Shanxi, Chahar, and Hebei. He said: "During the 22-year-long war waged from 1927 to 1949, I fought in the Hebei area for 11 years. I shall never forget the mountains, rivers, and people there. Hebei is my second home."

Indeed, the battles in the revolutionary bases in Shanxi, Chahar, and Hebei marked a glorious period in Marshal Nie Rongzhen's military career that spanned scores of years. His name will be forever remembered by the people there.

Looking back on the past, Marshal Nie stated with emphasis: Without the People's Army, the socialist New China would never have come into being. To safeguard the socialist republic, we shall still have to rely on the People's Army.

The old marshal was very happy with the feats the People's Liberation Army [PLA] performed in quelling the counterrevolutionary rebellion in Beijing. Last year, in the hot summer season, he suggested letting some of the officers and men enforcing martial law in Beijing vacation in Beidaihe. His suggestion was accepted and he received vacationing officers and men at the beach of Beidaihe.

At the Spring Festival early this year, when leaders of the three PLA general departments paid him a New Year

call, he said, with sincerity: The gun is important. However, it is more important who has the gun. He advised the comrade from the General Political Department in charge of cadre-related work that it was imperative that cadres should be selected and appointed on the basis of their abilities and political integrity to ensure the party's absolute leadership over the Army and that the gun is in the hands of those loyal to the party, the people, and the socialist cause.

Marshal Nie Rongzhen told me: It is very reassuring to know that it is the Central Military Commission, with Comrade Jiang Zemin at its core, that leads the Army. I agree very much with what they have done to strengthen the building of the People's Army.

When I asked the old marshal what he expected from the officers and men of the Army, he said: [passage indistinct]

Every one in the room was moved by his earnest advice.

### Naval Units Achieve 'New Level' in Training

OW2707060890 Beijing XINHUA Domestic Service  
in Chinese 0830 GMT 23 Jul 90

[Text] Qingdao, 23 Jul (XINHUA)—The Navy's guided-missile destroyer unit, extolled as the "first rider in the four seas", has achieved a new level in coordination training.

Recently, as the unit engaged in maneuvers on a rough and billowy sea, one could observe scenes like this: Many guided-missile destroyers, under the cover of naval fighter plans, promptly moved out to fight. Their missiles were ready and their guns were roaring. Two guided-missile destroyers succeeded in practicing a transfer at sea and dragging. The exercise included maneuvering in formation, commanding, attack coordination, rescue operations, navigation, positioning, and communications. They could expand and close their formation easily. Their communications were excellent, and their attacks were right on target. They fully demonstrated the powerful style of our naval force.

According the responsible person of this unit, the coordination training of guided-missile destroyers has improved in recent years, with more new and difficult practice exercises. Several kinds of ships and services, including a helicopter unit, have also participated in the training exercises. Many training subjects, including launching guided-missiles, searching for submarines while maintaining formation, anti-submarine maneuvering under various conditions, and formation maneuvering in simulated nuclear war conditions, have achieved remarkable results.

The joint formation composed of this guided-missile destroyer unit has taken the first step forward in the joint ocean maneuvering practice for the Chinese Navy. On many occasions, they have sailed out to the great ocean or to dangerous marine areas where islets and reefs abound for such coordination sea training as the launching of missiles and artillery shells from destroyers



in formation and for battleship tactile confrontation. They have achieved a new record in ocean training and have thus improved their navigation and fighting abilities under all kinds of conditions.

### Economic & Agricultural

#### Official Urges Improving Tech Transfer Market

HK2707011090 Beijing CHINA DAILY in English  
27 Jul 90 p 1

[By staff reporter Li Heng]

[Text] The country's booming technology transfer market—which registered a record business volume of 8.15 billion yuan (\$1.7 billion) last year—needs to be improved to better serve the national economy, according to government officials.

A nationwide open market for technology transfer was first introduced in 1984. Since then, it has given a major boost to technical advances in China's industry, but has also led to some problems, officials said.

While continuing to back an expansion of the new technological markets, the State Scientific and Technological Commission has decided to straighten out the irregularities in the existing marketing network within two to three years.

Three sets of rules governing the designation of technology contracts, concrete methods to register and patent technology inventions, and measures to sell them have been signed by the Commission minister Song Jian and will take effect nationwide on August 1, said Vice-Minister Jiang Minkuang at a recent conference.

China's technology transfer market has made much headway over the past few years. In 1989, more than 262,000 technology transfer contracts were signed at a total business volume of 8.2 billion yuan, up 12.4 percent over the previous year.

And in the meantime, the vice-minister said, a nationwide multilevel, multi-form and multi-ownership technology transfer network has come into being. Employing 360,000 staff in the country and comprising 19,700 State-owned, collectively-run and individual organs and agencies, technology trade has become a lucrative business in the country.

The special markets have expedited the transfer of technology to productive use, thus adding to the value of industrial products. The markets have also promoted Sino-foreign technological exchanges, the official said.

In the past, the government appropriated funds to the State-owned technology development organizations, which made their research available to industrial enterprises free of charge. The reform of China's technology system since 1984 has given incentives to the technology inventors and created the country's first technology transfer markets.

The problems in switching from the old system of technology transfer to the new, as well as the inexperience of the country's technology management personnel, have led to disarray in the market and jeopardized the technology transfer trade.

Such practices as profiteering in the guise of technology transfer, fraudulent use of the State's preferential treatment policy by presenting economic contracts as technology contracts, and reselling contracts to earn hefty profits have been detrimental to the growth of the market, the vice-minister added.

#### State Orders Clampdown on Illicit Asset Sales

HK2607011790 Hong Kong HONGKONG STANDARD  
in English 26 Jul 90 p 10

[By Lo Dic]

[Text] The Chinese government has ordered ministries and provincial governments to clamp down on the illicit sale of stateowned assets.

The State Council, China's cabinet, has asked the departments concerned to work out a new system to manage stateowned assets.

This follows a circular from the State Council which said many government units and businesses had been dividing up state-owned assets to the benefit of individuals, especially leading government officials and party cadres.

The partitioning of state-owned assets, usually in the name of "promoting reform", had been a major loss to the government and stimulated official corruption, the circular said.

A senior economist from the State Commission for Restructuring the Economy said the assets were often divided up illegally.

This involved selling shares in state-owned enterprises at artificially low prices to party and government officials, the business managers, workers and sometimes foreign investors.

To stop the malpractices, the circular urged ministries and provincial governments to launch a campaign to locate and value all state assets.

Based on this survey the authorities should take a hard line in dealing with offenders, the circular said.

They should also work out concrete measures by October to prevent stateowned assets from being partitioned further.

A new management system for state-owned assets should be introduced, the circular said.

In principle, the Ministry of Finance and the State Bureau for State-owned Asset Management would function as the owners of state assets. The Central Military



Commission would be charged with deciding on a management system for state-owned assets held by the army.

The circular, the first of its kind issued for decades, stipulated that the check should cover all kinds of businesses including those that issued shares, joint businesses, those under the elasing system and even those state firms that had been sold off to the private sector.

These kinds of enterprises were hailed as models of the reform era during the last decade, representing breakthroughs in enterprise reform.

The circular specifically called for checks on the management of state-owned assets in Sino-foreign joint ventures, as well as on overseas businesses funded by China, the bulk of which are in Hong Kong.

The circular said that to strengthen the management of state-owned enterprises the department of finance and managers of state-owned assets should be part of the government side that signed contracts with the businesses.

This would guarantee the implementation of the contracts which are signed to protect state-owned assets.

Meanwhile, according to Chinese economists, the loss of state-owned assets has been increasing ever since the reform era began.

The partitioning has been carried out in the name of "promoting reform", they said.

With the drain of assets and funds the businesses have become more reliant on bank loans.

A recent survey by the State Bureau for the State-owned Asset Management showed that the most state-owned businesses were heavily in debt.

The total debt was so large that even if the businesses used all their future profits to pay off the loans they had taken it would take them seven or eight years to clear the debts, the economists said.

### Enterprises Revive Use of 'Special Connections'

HK2707025090 Beijing JINGJI CANKAO in Chinese  
2 Jul 90 p 1

[Article by Fei Qiang (6316 1730) and Lin Nan (2651 2809): "Why Has the Practice of 'Making Progress by Establishing Special Connections With Government Departments' Been Revived?—Fifth Discussion on Current Economic Phenomena"]

[Text] I was told by some friends from economic circles recently that "the phenomenon of 'making progress by establishing special connections with government departments' has been revived".

Cadres and masses working in the grass-roots units on the industrial and communications front more than 10 years ago widely referred to this expression to ridicule

enterprises that were seeking development merely by establishing special connections with government departments rather than by working in a down-to-earth manner to promote production. During the decade-long reforms, as reform of the planning and management systems had been carried out and the decision-making power of enterprises expanded, great changes took place in the relations between enterprises and the government. Thus, this expression became a "mark" of the past.

But why has the practice of "making progress by establishing special connections with government departments" been quietly revived at present?

When we make a careful analysis of this phenomenon, we discover that it reflects some delicate changes in the relationship between the centralization and decentralization of power, between relaxation and retrenchment, and between the government and enterprises in the course of combining the planned economy with market regulation.

—In the previous period, governments at all levels collected funds from the enterprises. As the profits they retained were thus reduced, quite a few enterprises were unable to readjust their product mix according to the demands of planned guidance and market regulation or through their own efforts. They could only place more hope on investments from relevant government departments according to state planning.

—The strengthening of mandatory planning resulted in the widening of the gap between the two prices of capital goods while implementing the "dual-track system." The supply of capital goods under state budget was of vital importance to enterprises in improving management and increasing economic returns.

—Large numbers of enterprises capable of carrying out independent management and developing their own products according to the needs of the market also became more "clever" than before. They were eager to make themselves enterprises on the state planning list so that they could enjoy all kinds of preferential treatment given to enterprises and products under state planning.

Some plant directors said without reservation: The reason enterprises have established special connections with government departments is because the departments have become attractive to them again.

Some people are happy to see this phenomenon, but others are worried about it. **Those who are happy hold that as the authority of state planning has been strengthened, what the government departments say will be more convincing. This is conducive to economic improvement and rectification. Those who are worried hold that by establishing special connections with government departments, enterprises may become more dependent on them.**

**This may obstruct current efforts to readjust the economic structure and overcome economic difficulties.**

Some plant directors and managers who have made outstanding achievements in reform and enterprise management hold that during the period of economic improvement and rectification, it is impossible for the state to use more money and materials to support enterprises. To overcome current difficulties, enterprises should mainly rely on their own efforts and accelerate readjustment of their product mix. They should try to increase their competitiveness in both domestic and international markets. The trend of contention among enterprises for more investment funds and projects by establishing special connections with government departments, and the trend of relying on the state, run counter to the fundamental purpose of deepening enterprise reform and the targets and tasks for economic improvement and rectification.

A plant director who has won a Gold Horse Award for the 10 best enterprises in China said that at present there is an abnormal phenomenon: The economic returns achieved through technical transformation are much lower than those created by the several dozen tons of raw materials under the state budget obtained from one's "fellow villager" working in a government department. An enterprise finds it very difficult to earn 100,000 yuan by strengthening enterprise management and through "double increase and double economy"; it is much easier to gain 1 or 2 million yuan of "economic returns" if the plant director or manager goes out for a few days to ask for help from relevant government departments. As a result, an increasing number of people may thus be encouraged to try every possible means to make use of state "planning" and to establish special connections with government departments, rather than making great efforts to improve enterprise management and boost production.

The phenomenon of "making progress by establishing special connections with government departments" is not an isolated social phenomenon, nor is it the problem of a certain enterprise or a certain government department. The fact that this practice has been revived tells us: **The problem concerning the position of an enterprise in the entire mechanism of the economic movement has not yet been resolved. Only when enterprises truly undertake independent management, assume sole responsibility for their profits and losses, develop by their own efforts, restrain themselves conscientiously, and only when they can conscientiously standardize their operations in accordance with the demands of macroeconomic regulation and control and give full play to their initiative in production and management, will the "heat" of "making progress by establishing special connections with government departments" then be cooled.**

### **Consumer Market Remains in 'Predicament'**

*HK2707045090 Beijing JINGJI CANKAO in Chinese 6 Jul 90 p 1*

[Article Ji Shifa (1213 0013 4099) and Wang An (3769 1344): "Will There Be Another Panic Buying Spree?—Sixth Discussion on Current Economic Phenomena"]

[Text] Since the founding of the PRC, the market issue has never aroused as much concern as it does today.

What is the present market situation? When will the market begin to thrive? Will there be another "wave of panic buying" when the market thrives?

Recently, we visited seven provinces and cities including Shanghai, Hangzhou, Guangzhou, and Lanzhou to find out the situation in their markets. We held discussions with people in economic circles and tried to find some answers to questions related to consumption, market, and production.

After a month-long survey, our conclusion is as follows: The market is still in a predicament and no fundamental change will take place within a short period. If enterprises do not take the initiative in their work, they will be in a more passive position. The only way out is to cast away illusions, maintain a positive attitude, make a structural adjustment, and cope with market changes.

### **A Stable Triangular Market**

The Chinese people's standard of living has improved greatly in the 10 years of reform. In 1989 national income amounted to 1.3 trillion yuan. In 1988 the per capita income of the urban citizens for their living expenses amounted to 1,119 yuan, and the peasants 545 yuan. For various reasons, they have been unable to maintain a high growth rate in their income. As a result of the state's "double retrenchment" policy in particular, some families' incomes have actually dropped over the last two years. Surveys conducted by the relevant departments in Shanghai, Zhejiang, and Guangdong indicate that in the first four months of this year per capita income was lower than that in the same period last year. Naturally, a decrease in income has led to a slowdown in consumption, which will remain unchanged in various fields for some time to come.

From the perspective of consumer mentality, people now choose commodities to their personal advantage instead of "swallowing everything like a hungry person." Some people have summed up this mentality in the following points: Attention is paid to practical consumption, whereby consumers only buy for actual needs; attention is paid to quality, brand names, and selective purchase; consumers have set strict demands on service, particularly on large commodities whose delivery, installation, trial operation, and maintenance must be guaranteed; prices no longer pose a problem for consumers, who will buy regardless of prices whenever they feel the need, or will not buy even at reduced prices whenever they do not feel like it. Therefore, some research departments have

pointed out that the previous consumption trend characterized by the "basic needs of families" will not reappear anytime soon.

In the latter half of last year, consumption began to drop on all local markets. In particular, electrical household appliances were no longer fast-selling, and this downward trend has intensified this year. According to statistics from state-run industrial departments in Guangdong, in the first quarter of this year the consumption of color television sets dropped 69 percent compared with the same period last year, refrigerators by 60 percent, and cassette recorders by 52 percent. Supply was in excess of demand.

Thus a triangular market has taken shape in which consumer goods remain stable as a result of low income, consumer mentality is stable, and purchase of large, durable consumer goods has slowed.

#### **Will a 'Miracle' Appear in Marketing?**

Urban and rural savings deposits now amount to 740 billion yuan. Some people say this is a tremendously strong, latent purchasing power. If this purchasing power can be stimulated, there will be a change in the market situation. But our investigation suggests that it cannot be stimulated immediately.

For the 1.1 billion people, deposits of 740 billion yuan is not astonishing. Moreover, they are unevenly distributed. In Guangdong we conducted surveys of 960 peasant families. Only 20 percent of them kept deposits of over 5,000 yuan in 1989, but this accounted for 54 percent of these peasant families' purchasing power. They have bought all the large, durable consumer goods and have no intention of buying more.

In addition, many financial departments pointed out that the deposits of individual and private enterprises account for at least 40 percent of total deposits. Generally speaking, this money will not be injected for normal market consumption. A survey of 500 families in Shanghai suggests that only nine percent of them intend to buy color television sets this year. The percentage in Hangzhou, Zhengzhou, and Lanzhou is even lower.

For the majority of urban and rural people, expenditures for daily necessities are their first needs, accounting for about 80 percent of their total living expenses. A structural slowdown began to occur in some consumer goods in the latter half of last year, but the consumption of daily necessities kept rising, particularly food and industrial products for daily use. This found expression in the consumption of vegetables, grain, sugar, meat, cooking oil, marine products, cigarettes, and wine. Surveys of various localities indicate that their consumption situations are basically the same. Food consumption in cities and towns accounts for 54.1 percent, daily necessities 12.7 percent, clothing 11.6 percent, recreational goods 6.2 percent, and others 15.4 percent. The monthly per capita balance is 10 to 30 yuan. This consumption structure has determined that no drastic fluctuation will

take place in market consumption, except when there is a major change in external conditions.

In the rural areas, the consumption of production materials exceeds the consumption of daily necessities. An analysis by Shandong Province discloses that the peasants spend over half of their money on production materials.

Under such circumstances the market will remain stable, and no "miracle" will appear.

#### **Adjustment Is the Only Way Out**

Stability is the main trend of consumption in the market. But there are changes in the consumption direction, structure, scale, and consumption fund. If enterprises cannot cope with market changes, they will lose the opportunities to sell their old products.

Durable consumer goods have begun selling slowly, but jewelry, wristwatches, cosmetics, electric cookers, recreational goods, interior decor, and fashion are becoming fast sellers. The monthly sales volume of the hosiery counter in the Shanghai No. 1 Department Store tops 1 million yuan. Fashion sales are frequently held in department stores and commercial buildings in Hangzhou and Zhengzhou. Their daily sales usually amount to 200,000-300,000 yuan. A comrade from the Shanghai No. 1 Commercial Bureau said that woolen sweaters have been overstocked in Shanghai since last year, but most of them are old-fashioned products. Fashionable new sweaters with good workmanship are in great demand. An exhibition of fashionable sweaters was held in the Shanghai Hualian Commercial Building. It registered a monthly sales volume of 2 million yuan. Woolen sweaters produced by a small factory in Shanghai County have always sold well although each costs almost 100 yuan.

An important method for enterprises to extricate themselves from their predicament is to explore the rural market. There have been repeated calls for marketing industrial products to the rural areas, but no ideal results have been made in this respect. What is the reason? The peasants say that they also need good quality, new, and low-cost industrial products with complete functions. Factories should take into account the conditions, water and electric supplies, transportation, and habits in rural areas. If they can consider these points, the peasants will certainly welcome their products. For example, the front part of a raincoat for riding a bicycle is longer than its back part, but the back part of a raincoat for transplanting rice seedlings is longer than its front part; in cities tap water is used for washing machines, but in the countryside well or river water is used, so a washing machine will break down because there is sand in well or river water. These constitute the special features of the rural situation. The peasants will not take scrap commodities from cities. What the peasants need is products suitable for the characteristics of rural production and life. Producers should cast away their illusions, thoroughly change the old concept of "buying whatever is



supplied by enterprises," overcome their difficulties, and make adjustments. In this way they will shift from passivity to activity.

### Preferential Policies for Small Enterprises

HK2707052890 Beijing JINGJI CANKAO in Chinese  
10 Jul 90 p 1

[Article by Zhang Yong (1728 0516): "Small and Medium-Sized Enterprises Need Appropriate Support—Seventh Discussion on Current Economic Phenomena"]

[Text] Low-speed production growth and declining economic results are problems that many local industrial enterprises are facing. Various "preferential policies" have been put into practice for several months, and many large enterprises that "must be protected" have restored normal production and have increased output value again.

Recently, I talked with some bank managers, mayors, and prefectural magistrates in Hunan Province, and they all expressed the same opinion: When implementing preferential policies, we must not neglect small and medium-sized enterprises!

The remarks uttered by Wang Degen, manager of the Hubei Provincial Branch of the Agriculture Bank, were representative of other people's opinions. He said: "Large amounts of funds were provided for large enterprises, and preferential policies for supply of raw materials, energy, and transport facilities were also carried out. However, part of the funds for stimulating enterprises were turned into funds for increasing stockpiled products, and some large enterprises could still not be set in motion." Why? He pointed out: Most of the large enterprises' products are producer goods, mainly raw materials and energy. These products must be digested by a large number of small and medium-sized enterprises before they can be converted to consumer goods. Now, the production of the "key enterprises" has increased again, but the small and medium-sized enterprises that they should serve are still facing technical and financial restraints, and their demand is still shrinking. He held that if no measure is taken to set in motion the small and medium-sized enterprises that comply with the requirements of structural adjustment, then the measures for providing "double protection" for the large enterprises and the "preferential policies" will not achieve expected results.

Some figures may show that the preferential policies have indeed achieved results: From January to May, the industrial output value produced by Hunan Province increased 2.9 percent over the same period last year. The output value of the 110 key enterprises directly controlled by the provincial authorities increased by 7.2 percent, and the growth rate was higher than the average level. At the same time, bank loans were also mainly offered to these key enterprises.

However, funds used for the stockpiled products in the 1,730 enterprises within the budget in the entire province amounted to 3.15 billion yuan and increased 81.9 percent over the same period last year. The additional loans were thus basically "transferred" to warehouses. Profits achieved in this period declined by 64.8 percent, and losses increased by 90 percent. In some localities, the annual planned quota for business losses was "overfulfilled" in the first few months of this year.

It was learned that similar cases also existed in other provinces. What is the situation in various large enterprises that are protected by preferential policies? The Zhuzhou Chemical Fertilizer Factory's products have sold very well in the past; people even vied with each other to buy the floor of the subordinate phosphate fertilizer plant warehouse two years ago because it was always covered with a thick layer of fertilizer. This factory sold more than 30 products to over 1,200 large, medium-sized, and small enterprises throughout the country. More than 260 buyers are now in arrears with their payments to the fertilizer factory, totalling over 78 million yuan. The factory obtained more than 10 million yuan in bank loans as funds for setting production in motion, but this amount could only cover a small part of the debts owed by other enterprises. Therefore, another new difficulty the large enterprises were facing was as their output value increased, more of their products were stockpiled, and the amount of payment in arrears also increased. Thus, they had to shoulder a heavier burden.

On the other hand, small and medium-sized enterprises were in a more difficult position than the key enterprises. In Hunan Province, only 60 key enterprises enjoyed the "double protection" of favorable policies, and 110 key enterprises were under the direct control of the provincial authorities. They account for only 10 percent of the enterprises within the state budget in the whole province, or three percent of the industrial enterprises at and above the county level. A mayor said: "Whether an enterprise is large or small is only a relative matter. The state has its key enterprises, and a county also has its key enterprises. So preferential policies should be oriented to key enterprises at different levels. They are not merely oriented to large enterprises but should be oriented to all promising industries. As long as an enterprise conforms with the state's industry policy and achieves good economic results, even though it is a small one, it should also be actively supported." His viewpoint is representative.

The large enterprises that enjoy "double protection" and the small and medium-sized enterprises alike exist in the same overall environment. There are a thousand and one links between the two sides. Many small and medium-sized enterprises are actually "consumers" for the enterprises enjoying "double protection." The primary issue in current economic life is to set in motion appropriate consumption, especially productive consumption. To provide appropriate support for promising small and medium-sized enterprises is a good method of setting

productive consumption in motion. Such support should be focused on accelerating their technological transformation.

Technological transformation is something that small and medium-sized enterprises urgently need, but they can only hope for it and cannot actually start it for the time being. Some enterprises are facing a dilemma: They must develop new products to free themselves from the predicament and need to make investment in order to develop new products. However, the banks cannot offer any loans to them according to the 10-point regulations. So these enterprises can only wait for the overall economic climate to improve. According to statistics kept by the Economic Commission of Hunan Province, an enterprise must pay 23 kinds of taxes and fees according to written policy stipulations if it intends to start a technological transformation project, and these payments account for 30 to 35 percent of the total amount of the planned investment. In addition, it must obtain approval from many departments and bureaus. So, many difficulties and obstacles terrify the small enterprises that have little influence and insufficient financial strength.

Local officials always pay much attention to local financial revenues, and the small and medium-sized enterprises constitute an important financial source for them. Cities and prefectures certainly have their ways to support small and medium-sized enterprises. A city in Hunan assigned tasks to various economic departments and profitable departments: They were required to take responsibility for supporting some small and medium-sized enterprises. A county tobacco company planned to build new houses after making profits, then the city required it to assist a county-run industrial enterprise as a precondition for approving its house construction plan. As a result, that enterprise could survive. In another case, a county yarn mill with more than 1,000 workers incurred serious losses, and it was contracted to the county's People's Bank for management. As a result, the yarn mill also tided over the difficulties. The taxation department and the supervision departments were also assigned to take care of certain enterprises. These institutions used their own methods to fulfill the tasks of assisting enterprises, and the whole city successfully solved problems in 120 small and medium-sized enterprises!

Some comrades in the financial and economic circles pointed out that in the second half of last year, economic adjustments were mainly dependent on credit retrenchment, because at that time contradictions were focused on funds. As long as the credit scale was contracted and the interest rate for loans and deposits was raised, results could be immediately achieved. At present, only by taking comprehensive and systematically coordinated measures to smooth the channels from production to consumption can we free the enterprises from the predicament and move onto the path of harmonious development.

### Greater Efforts Required Despite Bumper Harvest

HK2707012890 Beijing JINGJI CANKAO in Chinese  
28 Jun 90 p 1

[Article by Ren Xianliang (0117 6343 5328): "Mistakes Should Not Be Made in Agriculture Again—Fourth Discussion on Current Economic Phenomena"]

[Text] "The Years of the Ox and the Horse are good for working the land." With wheat rippling in the wind, wave upon wave, glad tidings poured in about bumper harvests in the first summer of the 1990's. Inspired with enthusiasm, people were celebrating the resurgence of agriculture, which had stagnated for many years. However, having heard the glad tidings, some cadres in charge of agricultural production said contradictorily: "With bumper harvests reaped, a lot of trouble will follow."

This remark, which gives one much food for thought, requires analysis.

Thanks to the implementation of the system of contracted responsibility on the household basis, with payment linked to output, a historic breakthrough has been made in agricultural production: In 1984, the output of grain reached the mark of 400 billion kg for the first time, and that of cotton hit a record high of 125.17 million dan. The sudden increase in farm produce sparked a series of worries: Warehouses were in short supply, circulation and exchange of goods was impeded, unsalable grain and cotton was kept in stock in large quantities, and there were difficulties storing or shipping them to other parts of the country.

In the face of short-term "surpluses," quite a number of people, including some cadres, contended: In the days to come, there is no need to worry about farm produce shortages. Under these circumstances, less investment was made in agriculture and some preferential policies were abolished. In the less than two years since then, grain and cotton production has dropped, sparking shortages, and "wars" on rushing to purchase farm and sideline products have emerged one after another.

The overturned cart ahead is a warning to the carts behind. After paying a heavy price for a stagnated agriculture that had progressed haltingly for four years, we began to turn up the heat. When the Fifth Plenary Session of the 13th CPC Central Committee pointed out that agriculture is not only an economic issue but also a political issue that has a bearing on social stability, urging the party to mobilize all its members to go in for agriculture in a big way, the enthusiasm of the broad numbers of cadres and peasants for production was thus aroused. Last year grain production recovered to the 1984 record level, and an exceptional summer bumper harvest can be expected this year.

After a bumper harvest is reaped, will the "old show" of 1984 be repeated? This worry is not unwarranted. In some places, such symptoms have surfaced. It seems that the whistle has been blown. Information from the three

wheat-predominant major provinces of Hebei, Shandong, and Henan, and from Jiangsu, Anhui, and Sichuan, shows that wheat output will increase by a wide margin this year, but storehouse shortages are serious. According to the reports of 14 wheat-producing areas in Hebei Province alone, the capacity of storehouses for summer grains purchased was 700 million kg short. Currently, 600 million kg of old, stale grain was stored in the open air. Storehouses able to hold 1.3 billion kg of grain are still needed. While stale grain has not yet been shipped out, new wheat has to be purchased. Comrades in grain departments feel apprehensive about this situation.

Why did some cadres doing agricultural work make the cynical remark that "reductions in output are nothing to be afraid of"? They said: "Reductions in output will be followed by agricultural product shortages. In this situation, cadres doing agricultural work will have an easy time. People will ask them for help. Investment will be increased and encouraging policies pursued. Once bumper harvests are reaped, as the amount of farm produce is multiplied, agricultural cadres will actually be left out in the cold. They will have to ask people everywhere to promote sales." Some peasants have the same feeling about this argument. They said: "If farm produce is short this year, special inducements will be offered in everything, but if agricultural production picks up next year and the amount of farm produce multiplies the year after next, preferential policies will cease to be implemented."

It is understandable that some cadres and people have such an attitude, but people have to take the long-standing practice of "if farm produce is abundant, production is slashed, if farm produce is short, efforts are hurried to boost production, and if the amount of farm produce is not too much and not too little, nobody will care about production" as a lesson. **In the current situation wherein bumper harvests in agricultural production are imminent, how we can extricate ourselves from this vicious circle and safeguard peasants enthusiasm for production is an extremely urgent, real topic of conversation.**

Socialist agriculture in China has a history of 40 or more years. We are feeding 20 percent of the world's population with less than 7 percent of the world's cultivated land. We have indeed made great successes in this respect. However, there is also no denying the fact that there are many things yet to be improved. We should no longer step up efforts for only a short period when the agricultural situation is strained, and then relax our efforts when the amount of farm produce abounds. **On the contrary, we should work out a set of complete and solid rules and regulations and ensure long-term, healthy, and steady growth of agriculture by relying on our structures and legal system.**

On the investment issue, who should be the main player in agricultural investment? What weight should the state, localities, collectives, and individual peasants bear in investment? This should be defined and regulated by a set of appropriate mechanisms and legal systems so that the continuity and stability of policies will be ensured and that the policies will not change capriciously.

Agriculture is an industry that has dealings with the heavens. In many cases, no one can be certain of success in agricultural production. The peasants in particular hope for the establishment of a set of rules and regulations to "ensure" the success of planting, such as setting up a fund against risks in production and introducing the use of protective prices in the marketing sector. Otherwise, the peasants will be reluctant to run the risk of making more investments and using new technology for fear of suffering from disasters or reductions in income. They just want to ensure "a warm back and a full belly." This will make it difficult to achieve a major breakthrough in agricultural production.

We should repair the house before it rains and, by all means, avoid digging a well only when we are thirsty. Under the double pressure of population growth and reduction of cultivated land, agriculture in China, a big country with a population of 1.1 billion people, will remain a long-term, arduous issue in the days to come. We should persevere with the task and never relax our efforts in agriculture. Leaving things to chance, or short-term behavior, will result in us having a long-term, grave price to pay.

## East Region

### Mao Zhiyong Stresses Socialized Services

OW2707054590 Beijing XINHUA Domestic Service  
in Chinese 2027 GMT 19 Jul 90

[By reporter Xu Jinpeng (1776 6855 7720)]

[Text] Nanchang, 20 Jul (XINHUA)—In a recent interview with this reporter, Mao Zhiyong, secretary of the Jiangxi Provincial CPC Committee, stressed: While consolidating the system of contracted household responsibility related to output, it is important that no time be wasted in further perfecting and strengthening the weak level of centralized operation by collectives [ji ti tong yi jing ying 7162 7555 4827 0001 4842 3602] and improving socialized services so as to establish a two-tier operation system that combines centralization and decentralization.

Mao Zhiyong said: The stress on focusing on perfecting and strengthening the level of centralized operation by collectives and on improving socialized services is aimed at further bettering the system of contracted household responsibility related to output. At present, the system of contracted household responsibility related to output is not perfect in three areas. The first is related to production. Although most of the fieldwork can be handled by individual households, major farm tasks and techniques, such as water and electricity supply, irrigation, breeding, flood prevention, and disease and pest control, have to be organized and coordinated by collectives in a centralized manner. The second problem is the supply of materials for production and the processing, transportation, and marketing of farm products. These functions require the help of a system of socialized services. Third is the mechanism for accumulation. People usually have no objection to productive investment for any given year but shun constructive investment to improve production conditions. Again, this should be organized and carried out by collectives in a centralized manner. The three areas are where the potentials of the system of contracted household responsibility related to output are located. To tap these potentials, it is necessary to perfect and strengthen the socialized services operated by collectives.

The level of centralized operation to which Mao Zhiyong referred is the collective of village groups that contract out plots of cropland. How can this level be further perfected and strengthened? In light of the reality of rural Jiangxi, Mao Zhiyong believed that efforts should be made to improve the following four areas:

1. It is necessary to step up the building of grass-roots organizations. To perfect the level of centralized operation, it is necessary to beef up the economic strength of the village groups and to strengthen the management of the system of contracted household responsibility related to output. The key to the success of these tasks is to strengthen the organization of party branch, village

committee, and village groups [cun min xiao zu 2625 3046 1420 4809], as well as the leading body of village groups.

2. It is necessary to develop the collective economy at village level so that the level of centralized operation has its own economic strength with which it can perform practical services for the people and benefit them. This, by the way, is essential to the effort to perfect the two-tier operation system. Without economic strength, village-level collectives will have no rallying power or appeal and will have difficulty in carrying out their duties, such as management, coordination, organization, and providing services. However, it should be made clear that local conditions should be taken into account when developing village-level economy. The task should be carried out in a planned, systematic manner. Neither a unified formula nor equalitarianism and indiscriminate transfers of resources will work. The only way to beef up the collective economic strength is to take into consideration local realities, develop local resources, and open up new production fields.

3. It is necessary to establish a management system at the level of centralized operation. The implementation of the system of contracted household responsibility related to output does not reduce the functions of public ownership to empty words. Instead, it is aimed at strengthening the supervision, management, and protection of the use of land by individual households. This calls for the establishment and perfection of the various management systems at the centralized level.

4. It is necessary to develop and improve services. The principle of feasibility should be applied in determining whether to centralize or decentralize various services.

### Shandong Power Plant Construction Begins

SK2707035890 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 25 Jul 90

[Text] A ceremony was held on the morning of 25 July to mark the beginning of the construction of the Heze power plant, a state key energy project. Provincial Vice Governor Zhang Ruifeng and responsible comrades of the State Energy Investment Corporation attended and addressed the ceremony. In the first phase of the construction of the Heze power plant, two 125,000-kilowatt generating units will be installed, with the total investment of 400 million yuan. After these two generating units are completed and put into operation, they can produce about 1.5 billion kilowatt hours of electricity a year and create 7 billion yuan in output value.

### Sewage Plant Built With Austrian Loans

SK2707043290 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 25 Jul 90

[Text] Construction of the Zhangdian Sewage Treatment Plant, our province's first large-scale sewage treatment project, officially started on 25 July. The designed daily



capacity of the plant is 250,000 tons. When the project is completed, the industrial wastewater of the several dozen enterprises in the Zhangdian area and the daily wastewater from the area's 210,000 residents will be purified. The purified water may be used in irrigation and industry cooling systems. Construction of the plant is supported by the Austrian Government, which provided \$10 million of loans of various types and new sewage treatment technology.

### Shandong Economic Area Shows 'Initial Success'

OW2707033490 Beijing XINHUA in English  
0202 GMT 27 Jul 90

[Text] Jinan, July 27 (XINHUA)—The Shandong peninsula open economic area in east China has achieved initial success in seeking foreign economic and technical co-operation and developing foreign trade since it was set up in March 1988.

By the end of June this year, the open area had approved 1,138 projects using foreign investment, involving a total of 1.17 billion U.S. dollars contracted, with 577 million U.S. dollars committed.

A total of 489 foreign-funded enterprises were approved in the period, involving a total foreign investment of 540 million U.S. dollars.

Cao Fengchun, deputy director of the area's office, said that in the first half of this year the area approved 178 projects using foreign investment, involving contractual foreign investment of 110 million U.S. dollars.

Among the projects, 91 were foreign-funded enterprises and 90 percent of them were industrial manufacturers, Cao said.

The area covers seven cities and 54 counties in Shandong Province, including its capital, Jinan.

### Shanghai Develops 'Supercritical Condenser'

OW2707020290 Beijing XINHUA in English  
0147 GMT 27 Jul 90

[Text] Shanghai, July 27 (XINHUA)—The Shanghai Power Station auxiliary facility plant has developed a supercritical condenser for 600,000-kw thermal power generators.

The equipment will be used in the Shitongkou No. 2 Power Plant in Shanghai, China's largest industrial city, which will have two 600,000-kw critical thermal power generators.

### Zhejiang Enterprise Discipline Meeting

OW2707042090 Hangzhou ZHEJIANG RIBAO  
in Chinese 9 Jul 90 p 1

[By reporter Zhu Fang (4554 5364)]

[Text] The first provincial conference on discipline inspection work in enterprises ended in Hangzhou yesterday. The meeting urged giving due consideration to the nature of the enterprises and economic entities concerned and bearing in mind the needs of enterprise reform, production, and management when monitoring the work style and disciplinary behavior of party cadres as part of the party's discipline inspection work in enterprises. It also urged improving the functions and role of "protecting, punishing, supervising, and educating" in order to ensure the stable development of enterprises.

Convened by the provincial discipline inspection commission, the meeting pointed out that in recent years, enterprise discipline inspection commissions have carried out their work under difficult conditions, including a weakened party leadership role and such organizational readjustments as "disbanding, streamlining, and merging." Although discipline inspection work in enterprises has taken a turn for the better since the Fourth Plenary Session of the 13th CPC Central Committee, discipline inspection commissions still have an unclear status in enterprises, are understaffed, and cannot play an effective role. Under such circumstances, they cannot satisfy the needs of enterprises in deepening internal reforms, furthering the policy of openness, carrying out party building, and ensuring the honesty of their cadres. Therefore, it is necessary to take effective steps to strengthen discipline inspection work in enterprises and to enhance the role of enterprise-based discipline inspection commissions.

The meeting discussed an "opinion on strengthening the party's discipline inspection work in enterprises," which was drafted by the provincial discipline inspection commission. The "opinion" sets specific demands in nine fields of endeavor: drawing up guidelines on discipline inspection work in enterprises; investigating and handling illegal acts and discipline violations committed by party cadres in enterprises; educating such party cadres on party work style and the value of honesty; increasing supervision over such party cadres; participating in enterprise building; improving the relationship between party committees in enterprises and factory directors (managers); strengthening discipline inspection organizations in enterprises; improving relations with staff members and workers; and fortifying the leadership of local discipline inspection commissions over discipline inspection work in enterprises. Participants in the meeting agreed that the "opinion" is comprehensive, feasible, and can play a positive role in beefing up discipline inspection work in enterprises; they called for earnestly implementing it.

Chen Fawen, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, spoke at the meeting. He said: Socialist enterprises engaged in production are the creators of material wealth, as well as the builders of socialist ideology and culture. The development and stability of enterprises are, respectively, the foundations



of the national economy and social stability. Discipline inspection work constitutes an important part of party building in enterprises. Strengthening such work in effect amounts to fortifying the party's political role, promoting the two civilizations in enterprises, maintaining the stability and development of enterprises, and keeping to the correct orientation. Moreover, it helps eliminate the corrupt practice of "buying power" that exists in state organs and enterprises and promotes clean government in party and state organs. He added emphatically: The provincial government recently put forward a number of policies and measures that call for promoting economic development, furthering the open policy, introducing market mechanisms, and nurturing an export-oriented economy in order to develop Zhejiang's economy. Comrades of discipline inspection commissions should have a sense of urgency in this regard. They should improve their understanding and assist in the implementation of these policies and measures. At the same time, it is essential to guard against the negative phenomena that might arise in the course of implementation and to keep a cool head. It is necessary to take a "two-pronged" approach: to refrain from slackening efforts in party building and promoting clean government; and to prevent the revival of such malpractices as wining and dining, giving gifts, extravagance and waste, travel at public expense, and taking "kickbacks." We should not again throw away the achievements made through sheer determination in recent years in improving the economic environment, rectifying the economic order, building a clean government, and improving party work style. Party and government organizations must set an example for enterprises and should not establish "special zones," create "off-limit areas," and set "undesirable precedents" in enterprises in improving the party work style and promoting honesty among cadres. Arbitrary collection of fees, imposition of work quotas, and levying fines against enterprises should be strictly prohibited. Corrupt practices, including extortion, abuse of power, negligence, and freeloading, should be severely punished in order to create an environment favorable to improving party work style and cadre honesty in enterprises.

Wang Xianbo, deputy secretary of the provincial discipline inspection commission, presided over the meeting. Present at the meeting were standing committee members of the provincial discipline inspection commission; secretaries of prefectural and city discipline inspection commissions; secretaries of discipline inspection commissions in enterprises under provincial authority; representatives of enterprises at the prefectural, city, and county levels; and responsible persons from the provincial departments concerned.

### **Central-South Region**

#### **Lin Ruo on Plans for Nonparty Appointments**

*HK2607120290 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 25 Jul 90*

[Text] This morning, Lin Ruo, secretary of the Guangdong Provincial CPC Committee, delivered a speech at

the Guangdong Provincial Conference on United Front Work, which was held by the Guangdong Provincial CPC Committee.

In his speech, Comrade Lin Ruo pointed out that all CPC members in Guangdong must strive to do better united front work and open up new vistas for Guangdong's united front work.

After reviewing Guangdong's united front work achievements, he said that CPC committees at all levels in Guangdong must practically strengthen leadership over united front work, attach great importance to questions raised and suggestions put forward by united front work departments at all levels, strengthen organizational building of united front work departments, and train more competent united front workers.

He said that at present, the number of non-CPC members holding posts in government departments at various levels in Guangdong is still very small. In view of this situation, the Guangdong Provincial CPC Committee planned to appoint a non-CPC member as provincial vice governor to fill the current vacancy, appoint some non-CPC members as deputy directors of various provincial departments and bureaus, and appoint a number of non-CPC members as deputy mayors, deputy county magistrates, and deputy prefectural directors within a short time.

Comrade Lin Ruo stressed that efforts must be made to ensure that non-CPC members appointed to leading positions will have real power and exercise their power.

#### **Guangdong Retail Price Index Falls**

*HK2607132290 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 25 Jul 90*

[Text] Guangdong's commodity prices dropped by a large margin in the first half of this year, the retail price index dropping 3.8 percent compared with the corresponding period of last year.

In the first half of this year, Guangdong carried out comprehensive harnessing of its social economy, compressed its investment scale, and curtailed its institutional consumption. As a result, commodity prices dropped by a large margin.

Over the past few years, people's governments at all levels have also implemented a series of effective measures to control prices of grain, vegetables, fruit, and other nonstaple foods. As a result, prices of these commodities dropped by a large margin.

The work of screening and rectifying various types of companies and improved market management also dealt telling blows at such illegal activities as reselling commodities at higher prices, official profiteering, and so on.

Although the price index has dropped, Guangdong has yet to deepen price reform, strengthen market management, eliminate all factors for price increases, and further slow down price increases in the second half of this year.

### **Guangdong Meeting on Protecting Military Bases**

*HK2607131090 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 25 Jul 90*

[Text] The "PRC Law on the Protection of Military Installations" will officially come into effect on 1 August this year.

This morning, the Guangdong Provincial People's Government and the Guangdong Provincial Military District jointly held a work meeting on implementing the "PRC Law on the Protection of Military Installations."

At the meeting, Guangdong Vice Governor Ling Botang demanded that the various cities and counties of Guangdong take effective measures to extensively publicize the "PRC Law on the Protection of Military Installations" with a view to strengthening education on national defense and heightening people's consciousness in protecting military installations.

Comrade Ling Botang pointed out that people's governments at all levels in Guangdong should consult relevant military departments when formulating plans aimed at building economic development zones and foreign investment zones, take into account the overall situation, and correctly handle the relationship between economic development and the protection of military installations.

With the approval of the Guangdong Provincial People's Government, the Guangdong Provincial Commission for the Protection of Military Installations was set up in Guangzhou today. Vice Governor Ling Botang was elected director of the commission, and Chen Tianmin, deputy commander of the Guangdong Provincial Military District, was elected deputy director.

### **Hubei Meeting on Handling Corruption Cases**

*HK2607153990 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 25 Jul 90*

[Text] Yesterday morning, the Hubei Provincial CPC Committee and the Hubei Work Committee in Charge of Provincial Organs jointly held a meeting in Wuhan to report the work of investigating and handling cases of violation of discipline involving party members of various provincial organs.

The meeting called for speeding up the work of investigating and handling corruption cases involving cadres of provincial organs.

The meeting pointed out that the work of investigating and handling cases of violation of discipline involving party cadres is an important component part of Hubei's

entire party-building work. CPC organizations at all levels must heighten understanding of the importance of the work, strengthen leadership over the work, support the work in all respects, finish handling all those cases that have already been investigated within the third quarter of this year, finish handling all those cases currently under investigation within this year, strengthen ideological education among party members, improve the quality of party members, and take steps to prevent party members from violating discipline.

### **Hubei Holds Forum on Banning Pornography**

*HK2607152190 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 25 Jul 90*

[Text] Yesterday, responsible persons of political and judicial departments at all levels in Hubei and a number of experts held a forum in Wuhan to discuss "Regulations on Handling Pornographic Publications" promulgated jointly by the Supreme People's Court and the Supreme People's Procuratorate.

All the participants at the forum held that it is necessary to deepen the struggle against pornographic publications by strictly enforcing the law.

The forum was presided over by Han Nanpeng, vice governor of Hubei Province and concurrently director of the Hubei provincial work group in charge of the struggle against pornographic publications, and was attended by representatives of the Hubei Provincial CPPCC Committee, the Hubei Province Federation of Trade Unions, and the Hubei Provincial Women's Federation.

Comrade Han Nanpeng pointed out that it is necessary to conscientiously implement to the letter the "Regulations on Handling Pornographic Publications" and resolutely crack down on activities of selling and spreading pornographic publications.

Comrade Han Nanpeng also called on the relevant departments in Hubei to extensively publicize the "Regulations," carry out education among the broad masses of people, publish more healthy publications, place the struggle against pornographic publications within the orbit of the legal system, sum up experiences of the struggle, deepen the struggle against six vices, and strengthen leadership over the struggle against pornography and six vices with a view to creating a healthy social atmosphere.

### **Hunan's Xiong Qingquan Views United Front Work**

*HK2607152590 Changsha Hunan Provincial Service in Mandarin 2200 GMT 25 Jul 90*

[Excerpt] Xiong Qingquan, secretary of the Hunan Provincial CPC Committee, attended and delivered a speech at the Hunan Provincial Conference on United Front Work yesterday.

In his speech, Comrade Xiong Qingquan pointed out that party organizations at all levels and broad masses of

party members in Hunan must further unify ideology, heighten understanding, brace up, practically strengthen and improve leadership over united front work, consolidate and develop the patriotic united front, make greater contributions to Hunan's development, and open up new vistas for Hunan's patriotic united front work.

Comrade Xiong Qingquan said that the CPC's united front work theory and policies have embodied integration of Marxism with China's revolution and construction practice and constitute an important component part of Mao Zedong Thought. The third generation of the CPC leadership headed by Comrade Jiang Zemin has attached great importance to united front work.

Comrade Xiong Qingquan put forward the following four demands on Hunan's united front work:

1. To adhere to the CPC leadership in carrying out united front work with a view to ensuring that united front work proceeds in a correct orientation;
2. To strengthen political consultation with non-CPC members so as to win their understanding and acceptance of CPC policies;
3. To respect views expressed by non-CPC members, show concern for non-CPC members, and help non-CPC members solve problems;
4. To carry out education on patriotism, socialism, and on adherence to the four cardinal principles and opposition to bourgeois liberalization within the united front. [passage omitted]

### Southwest Region

#### Guizhou Efforts in Combatting Economic Crimes

HK2607122490 Guiyang Guizhou Provincial Service  
in Mandarin 2200 GMT 24 Jul 90

[Text] Yesterday morning, the Guizhou Provincial People's Procuratorate held a news briefing to report Guizhou's work of cracking down on such economic crimes as embezzlement and bribery.

This year, procuratorial organs at all levels in Guizhou have concentrated their efforts on cracking down on major and serious economic crimes. After handling more than 1,800 economic cases exposed and left over from last year, procuratorial organs placed more than 1,400 economic cases on file for investigation and prosecution. So far, more than 800 such cases have been handled, of which 430 are major and serious cases. Money and goods totaling more than 11.22 million yuan have been recovered for the state. Some 16 cadres at and above county level have been disciplined.

While investigating and handling economic cases, procuratorial organs have also actively carried out propaganda on the legal system, adhered to the principle of combining punishment with leniency, and urged criminals to surrender and confess their crimes. Statistics show that in the first half of this year, some 52 criminals

who had committed such serious economic crimes as embezzlement and bribery turned themselves in to procuratorial organs.

At yesterday's news briefing, the Guizhou Provincial People's Procuratorate also issued a warning to all types of criminals, urging them to stop committing crimes, surrender, and confess their crimes to procuratorial organs before the deadline set by the "Notice of the Guizhou Provincial Higher People's Court, the Guizhou Provincial People's Procuratorate, the Guizhou Provincial Public Security Department, and the Guizhou Provincial Supervision Department" in order to receive lenient treatment.

#### Progress in Tibet Economic Development Viewed

HK2707052190 Beijing RENMIN RIBAO in Chinese  
21 Jul 90 p 3

[Report from Lhasa by reporter Liu Wei (0491 0251): "Reform and Opening Up has Brought Great Changes in Tibet; the People's Living Standards Improved"]

[Text] In the seven years of reform and opening up, the Tibet Autonomous Region has achieved much progress in the development of productive forces and other fields of work, and its people's living standards have considerably improved. The region's general national product in 1989 stood at 2.11 billion yuan, and the national income at 1.67 billion yuan, an increase of 201 percent over 1983, the year prior to the reform; and the average income of peasants and herdsmen came to 397 yuan, up 83.8 percent over 1983.

The economic structural reform in Tibet started from agricultural and pastoral areas with the implementation of the long-term established policies of "allotting land and livestock to households for private ownership and free management." This has greatly aroused the enthusiasm of peasants and herdsmen. In 1989 the region's total output value of agriculture and animal husbandry amounted to 756 million yuan, an increase of 32 percent over 1983, and the gross grain output of the region recorded an all-time high.

Industrial production in Tibet has expanded substantially in recent years. Its total output value reached 221 million yuan in 1989. Good results have been achieved in developing the contracted production responsibility system and the system whereby the factory director assumes full responsibility in enterprises while concentrating on invigorating enterprises in the cities. Commerce, which was underdeveloped for a long time in Tibet, has developed considerably during the years of reform. By the end of 1989, the region's total volume of commodity retail sales had reached 1.197 billion yuan, an increase of 184 percent over 1983, thus effectively ensuring the market supply.

In the past seven years, Tibet has made new achievements in education, science and technology, public health and sports. The strategic position of education has



been established, the guiding principle for running schools fixed, and a contingent of teachers with minority teachers as the main body has begun taking shape. The outlay for education in 1989 was 143 million yuan, up 170 percent over 1983. Meanwhile, much has been achieved in the scientific and technological undertakings. In 1989, 164 scientific and technological research projects won awards of scientific and technological advancement, of which three received state invention awards. The region now has 14 scientific and technological research institutes and a contingent of 10,000 scientists and technicians.

The party's united front, and national and religious policies, have been further carried out. Over the past seven years, more than 1,700 patriotic people have been assigned to different posts in people's congresses, people's governments, the Chinese People's Political Consultative Conference Committees, and the Buddhist associations at different levels of the region. The figure has been two times as many as in 1983. At the same time, the system of political consultation and democratic supervision has been established and improved step by step.

The contingent of the party has increasingly grown over the past few years. The region now has a total of more than 70,000 party members, of which party members of minority nationalities accounted for 80.6 percent.

### North Region

#### Beijing Economic Situation Improves

OW2707012990 Beijing Domestic Service  
in Mandarin 2130 GMT 19 Jul 90

[From the "News and Press Review" program]

[Text] The economic situation in Beijing Municipality gradually improved in the first half of this year. Its gross national product and national income grew by 7.5 and 5.9 percent, respectively, over the same period of last year. Its industrial production has also increased each month during the first half of the year. The industrial output for each month in the second quarter either equaled or topped the monthly record. The total industrial output value for the first half of the year grew by 3.9 percent over the same period of last year and was higher than the national growth rate.

At the beginning of this year, confronted with the problems of a sales slump, capital shortage, and serious triangular debt default, the Beijing Municipal Government adopted 38 measures to promote the sale of industrial products, quicken [capital] circulation, and reverse the decline in industrial production. Municipal Party Committee Secretary Li Ximing and Mayor Chen Xitong also led cadres to inspect factories and enterprises. They worked on the site to help enterprises solve their problems. In addition, the Municipal Finance

Bureau allocated 100 million yuan to help enterprises adjust their product mix, develop new products, and upgrade their techniques.

After years of bumper harvests, Beijing Municipality again enjoyed an increase of 98 million kg of summer grain this year, setting record growth rates in both the total and per-unit area yields.

This year Beijing Municipality has increased its investment in agriculture and vigorously implemented the policy of using science and technology to improve agriculture. Beijing's suburbs have adopted a number of measures to increase crop yields, such as implementing crop rotation between wheat and maize and between rice and wheat, applying high-quality compound fertilizers and weed killers and aerial spraying of insecticide. In some suburban villages, experimental plots have been set up where each mu has 500,000 stems of wheat and is targeted to yield 10,000 metric tons of wheat annually.

#### Beijing To Check Exhaust Pollution

OW2607130190 Beijing XINHUA in English  
1112 GMT 26 Jul 90

[Text] Beijing, July 26 (XINHUA)—Beijing will check all its 250,000 motor vehicles, beginning August 1, in an effort to control exhaust fume pollution.

According to Jiang Xiaoke, an official of the city's Environmental Protection Committee, vehicles which do not meet the required standards will be banned from the road and their drivers fined.

"We have made the decision to accelerate the crackdown on pollution to ensure a good environment for the Asian Games in September," Jiang said.

By June, Jiang said, 7,065 out of the 7,893 pollution-control projects set by her committee last year had been completed. Factories and other installations which fail to complete their control tasks before the Asian Games start will be forced to close or stop production, she said.

Jiang explained that an environmental protection network has been established in all Beijing's districts, counties, government departments, and towns, villages, and neighborhood committees.

So far, more than 340 professional environmental protection workers have been trained and volunteer workers number over 3,200.

### Northwest Region

#### Ningxia CPC Committee Studies Marxist Theory

HK2607151590 Ningxia NINGXIA RIBAO in Chinese  
2 Jul 90 p 1

[Report: "The Central Study Group of the Ningxia Regional Party Committed Carries Out Theoretical Studies"]



[Text] On 30 June, the central study group of the regional party committee concentrated on studying and discussing the mass viewpoint and mass line of Marxism. During the discussion, in the light of the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee, members of the group reviewed expositions made by Comrades Mao Zedong, Deng Xiaoping, and Chen Yun on improving methods of work and maintaining close ties with the masses. They held that re-education in the fundamental standpoint of Marxism and Leninism and the mass viewpoints, which is now being carried out in a deep-going way in the entire party, and especially among cadres at different levels of the party, is of prime importance.

Prior to the discussion, members of the central study group conscientiously studied some articles, including "On Certain Questions in Methods of Leadership," "On Methods of Work of Party Committees," and "On the 10 Major Relationships," by Comrade Mao Zedong; "Adhere to the Party Line and Improve Methods of Work," by Comrade Deng Xiaoping; and "Summing Up Experience Is the Key Method of Raising One's Ideological Level," by Comrade Chen Yun. They held that the views of everything being for the masses, everything depending of the masses, and getting the opinions of the masses, and referring them back to the masses are an integrated summation of the party's mass line, one of the most fundamental viewpoints of Marxism and Leninism, and the basic line of our party's ideological, political, and organizational lines. The mass line is one of the notable marks that distinguishes the proletarian political party from other political parties. Our party does not have its own specific interests, except for representing the interests of the masses. Relating to history and reality, they all felt the extreme importance of the mass viewpoints and the mass line. Some comrades pointed out: There are now more occurrences of being divorced from the masses than before. This is because during the war years, whether we relied on the masses or we were divorced from the masses had a direct bearing on the success or failure of the cause of our party and on the life and death of the party's cadres. Now the party is in power and its environment and position have changed, so people no longer feel that the mass viewpoints and the mass line are as important as before. We have had bitter lessons in this respect. So, now we should make less empty talk, do more actual deeds, and strengthen the consciousness of maintaining links with the masses. As long as we do everything for the masses, rely fully on the masses, serve the people, seek interests for the people, and help the masses understand their interests and fight for them, our cause will certainly grow and flourish. Group members also believed that maintaining closer ties with the people is the basic ideology for party building. Our leading cadres should set high demands on themselves, be strict with themselves, and willingly accept supervision from the masses. "The water that bears the boat is the same that swallows." Divorcing ourselves from the masses would be like a tree without roots or water without a source. They all maintained that

the decision made at the Sixth Plenary Session of the 13th CPC Central Committee on strengthening the close ties with the masses hits the heart of the problem regarding party building, so we should resolutely implement it. Members of the study group pointed out: We should pay attention to methods of work and overcome bureaucracy, and solve the problem of combining general calls with specific guidance and leaders integrating with the masses. If we can make a successful combination in these two aspects, then we reach the highest level of the art of leadership. As long as leaders truly integrate with the masses, then they can really lead the masses, and the masses are willing to be led. Otherwise, leaders cannot really lead the masses and the masses cannot be really led.

Regional party and government leaders Huang Huang, Bai Lichen, Liu Guofan, Cai Zhulin, Bai Zhenhua, Jiang Guangdong, Xu Qian, Li Shumin, Yang Huiyun, Li Chengyu, Cheng Faguang, and Ren Qixin joined the study.

#### **Zhang Boxing Calls for Reform, Opening Up**

*HK2707075390 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 25 Jul 90*

[Text] Recently, after inspecting a number of areas of Shaanxi Province, Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, pointed out that China's decade-long reform has brought about enormous benefits to the people of Shaanxi. Over the past decade, Shaanxi's economy has developed by leaps and bounds. Practice over the past 10 years has fully borne out that only by adhering to the principle of "One Center, Two Basic Points" and policies of reform and opening up to the outside world will it be possible for China to make continued advancement.

Comrade Zhang Boxing said that over the past decade, Shaanxi has summed up a lot of valuable and successful experiences that can be boiled down to the following points:

1. It is necessary to adhere to socialist orientation in carrying out economic development;
2. Only by maintaining overall stability will it be possible to realize greater economic development;
3. It is necessary to adhere to "One Center, Two Basic Points" and policies of reform and opening up to the outside world in carrying out economic development;
4. It is necessary to increase labor productivity, increase production, and improve people's livelihood.

Comrade Zhang Boxing said that all the comrades in Shaanxi must acquire a clear understanding of the current international and domestic situations, implement to the letter the spirit of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee, strengthen ideological and political work, and strive to promote Shaanxi's economic development and guarantee production of all the large and medium-sized enterprises in Shaanxi.

**Religious Problems Noted at Xinjiang Plenum***OW2607233590 Urumqi Xinjiang Television Network  
in Mandarin 1300 GMT 18 Jul 90*

[By reporter Chen Junzhi; from the "Xinjiang News" program]

[Text] [Video begins with pan shots of attendees sitting in a room, panning to the left to show a man talking, and then cutting to close-ups of another man speaking; video then pans the audience, showing medium close-ups of attendees and different individuals talking] Cadres of all nationalities attending the 15th Enlarged Plenary Session of the Third Xinjiang Regional Party Committee were divided into groups over the past two days and discussed the report that Song Hanliang gave on behalf of the regional party committee.

They unanimously maintained that the report accurately appraised and reviewed this year's political and economic situation in Xinjiang and set forth the tasks to be accomplished during the second half of this year, and thus can serve as an important guide for the work aimed at further stabilizing the situation in Xinjiang.

The major topics under discussion concerned the need to build stronger grass-roots party organizations and grass-roots government organs, to strengthen the ideological and cultural bastions in rural areas, and to improve the management of religious affairs.

Many comrades from southern Xinjiang pointed out that, while Xinjiang's religious affairs are satisfactory in general as a result of the religious policy adopted at the Third Plenary Session of the 11th CPC Central Committee, certain serious problems must be attended to earnestly. For example, in some rural areas religious consciousness is becoming increasingly stronger, the number of mosques is growing, and the masses do not have the liberty of rejecting religious beliefs. In some localities, religion is openly interfering in the cultural and recreational activities of the masses, seriously intervening in people's marriages, and seriously intervening in and bringing about a resistance to planned parenthood. In some cases, religion also is interfering in elections at grass-roots units.

These comrades maintained that the management of religious affairs should be strengthened on the basis of laws, policies, and regulations; that emphasis should be placed on the work of helping people understand that they have the freedom of having no religious beliefs and the freedom of not participating in any religious activities; that abolished religious and feudal privileges and oppressive and exploitative rules must not be allowed to resurface; and that Communist Party members should believe in Marxism and Leninism and should not have any religious beliefs or participate in religious activities.

The attendees also put forward many constructive views and proposals with regard to strengthening grass-roots

party organizations and government organs, and strengthening ideological and cultural bastions in rural areas.

**Tomur Dawamat on Unity***OW2607231190 Urumqi Xinjiang Television Network  
in Mandarin 1300 GMT 19 Jul 90*

[From the "Xinjiang News" program]

[Text] [Video begins with a full view of a hall in which a meeting is taking place; seven people are seen sitting at a long table on the stage at the far end of the hall; video cuts to shots of Xinjiang Vice Chairman Tomur Dawamat, seen reading from a prepared text in the Uygur language] Tomur Dawamat, deputy secretary of the Xinjiang Autonomous Regional Party Committee and chairman of the regional people's government, gave a speech at the 15th Enlarged Session of the Third Xinjiang Autonomous Regional Party Committee today entitled "Safeguard the Unification of the Motherland, Promote the Unity Among People of All Nationalities, and Firmly March Forward Along the Socialist Course."

Tomur Dawamat said: Since the conclusion of the Third Plenary Session of the 11th CPC Central Committee, people of all nationalities in Xinjiang have become increasingly united. The nationality concepts expounded in Marxism and Mao Zedong Thought are deeply rooted in the peoples' minds; large numbers of model units known for unity and progressiveness, and large numbers of advanced individuals, have come to the fore; the number of cadres, scientists, and technicians of minority nationalities is growing rapidly; economic and cultural work has developed significantly; and the living standards of people of all nationalities have improved substantially.

Tomur Dawamat said: While acknowledging the excellent situation marked by the unity of people of all nationalities, we also must soberly realize the existing problems and the factors of instability that affect unity. He pointed out: National separatist sentiments at home and abroad primarily are what have been undermining Xinjiang's stability.

[Video cuts to show medium shots of the attendees in the hall; many seats are seen vacant; most of those present are seen reading documents, some are using earphones] Tomur Dawamat used many facts to refute the national separatists' reactionary views relevant to Xinjiang independence, the opposition to people of Han nationality, religion, natural resources, planned parenthood, and other issues. He said: Proposing an independent Republic of Eastern Turkistan and opposing people of Han nationality are two reactionary platforms of the national separatists. [Video cuts to show medium close-ups of unidentified officials sitting at the long table on the stage, then cuts to show close-ups of Tomur Dawamat reading from his prepared text] Xinjiang does not belong to any one people. People of Han and all minority nationalities have been working together to

develop Xinjiang for thousands of years, and they have created a brilliant material culture [wu zhi wen hua] and spiritual culture [jing shen wen hua] here. Since the liberation in particular, large numbers of countrymen of Han nationality have responded to the call of the party Central Committee and come to Xinjiang to support its construction, making selfless contributions to Xinjiang's development and construction, and even giving up their lives in their endeavor. We can say that had it not been for the support of the state and fraternal provinces and regions, Xinjiang would not have progressed to its present state. History has fully proved that sentiments against people of Han nationality are unpopular, that attempts to oppose the Han people will be futile, and that the Han people will not fall down because of the opposition [ji fan biao liao ye fan bu dao]. It also has proved that the real purpose of opposing people of Han nationality is to oppose the CPC's leadership and socialism and to undermine the unification of our motherland. As such, people of all nationalities certainly will reject such a cause.

[Camera pans randomly in the hall to show medium close-ups of attendees] Tomur Dawamat urged cadres of all nationalities to take a clear-cut stand on combating the national separatist sentiments, intensify their leadership over the work of promoting national unity, set examples in promoting national unity, and uphold the belief that people of all nationalities should respect, trust, support, emulate, and understand one another and render good and practical service to one another.

Tomur Dawamat pointed out: As long as we firmly implement the party's basic line and national policy, and as long as people throughout Xinjiang are united as one, a new situation will appear in our cause of promoting unity and progress among people of all nationalities, and we will achieve even greater victories in our socialist construction.

#### Janabil Addresses Plenum

OW2707031890 Urumqi Xinjiang Television Network  
in Mandarin 1300 GMT 20 Jul 90

[From the "Xinjiang News" program]

[Text] Addressing the 15th Enlarged Plenary Session of the Third Xinjiang Autonomous Regional CPC Committee yesterday, Janabil, deputy secretary of the regional party committee, talked about some questions encountered in the study of theories on nationalities and in education on unity among nationalities. [Video begins with a close-up shot of Janabil, seated in front of a microphone, addressing the attendees; after showing shots of other participants to the session, video ends with another close-up shot of Janabil delivering a speech]

On how to correctly assess the work of promoting unity among the nationalities, Janabil said: In the past, under the leadership of the party Central Committee, party organizations and people's governments in Xinjiang

earnestly implemented the guiding principles for nationality work for the new period, earnestly implemented the law on regional national autonomy, earnestly implemented the party's policies on nationalities, and vigorously conducted education on national unity, thereby bringing about a social effect that should not be underestimated. Politically, the cause of national unity is developing, and stability and unity are being consolidated throughout the region. The political situation of stability and unity has created very important conditions for Xinjiang's economic development. At the same time, it also has promoted the rapid development of various social undertakings in the region.

Janabil also expounded in a clear-cut manner his views on some important questions in order to help the masses and cadres dispel misgivings and enhance their understanding. These questions were the correct way to thoroughly understand and grasp nationality issues; national splittism as the principal threat to Xinjiang; Xinjiang being an inalienable part of China since ancient times; the two "no divorces" of national equality; exploitation of Xinjiang's natural resources; correctly understanding and dealing with religious issues; and correctly dealing with historical and cultural issues concerning various nationalities.

In his speech, Janabil called on party organizations to earnestly study the Marxist theories and to use the stand, viewpoint, and method of Marxism to analyze and deal with the nationality issue and to analyze and deal with other questions concerning nationality work and unity among various nationalities. Party organizations at all levels should further strengthen investigations and study, including academic and theoretical explorations, adhere to the principle of seeking truth from facts and the "double hundred" principle, do a good job in propaganda and educational work, and particularly strengthen the publicizing of theories.

#### Xinjiang's Role in State Economy Viewed

HK2707053490 Beijing RENMIN RIBAO in Chinese  
21 Jul 90 p 3

[Report by XINHUA reporter Song Zhenghou (1345 2398 0683): "The State Helps Xinjiang, and Xinjiang Makes Contributions to the State"]

[Text] Between 1950 and 1989, the state allocated to Xinjiang a total of 26.64 billion yuan in financial subsidies, which accounted for 61.6 percent of the total expenditures of the region during the period. At the same time, the state also offered many specific policies to Xinjiang different from those to other provinces and cities.

Meanwhile, during the same period, the central government made a total investment of 26.611 billion yuan in

Xinjiang's capital construction, making up 73.38 percent of the total. The completion of many large and medium-sized projects built with the investment has lent an impetus to the overall economic growth in Xinjiang and laid a solid material foundation for the region's steady social and economic development.

With the increasing expansion of its economic strength as a whole, Xinjiang has in turn made many of its contributions to the state. Statistics show that from 1956 to 1979, Xinjiang provided fraternal provinces and autonomous regions with 30.88 million tonnes of coal;

44.83 million tonnes of crude oil; and between 1979 and 1989, 1.195 tonnes of cotton and 5.128 million tonnes of table salt.

In addition to this, Xinjiang also supplied large quantities of nonferrous metals, steel products, and cement to support economic construction in fraternal provinces and autonomous regions. According to incomplete statistics, over the past 30 years or more, Xinjiang has, through its state-run commercial channels, supplied a total amount of 14.5 billion yuan in commodities to fraternal provinces, cities, and autonomous regions.



### Taiwan, Mainland Officials Exchange Views

OW2707034090 Beijing in Mandarin to Taiwan  
1500 GMT 24 Jul 90

[Text] A delegation of political figures from Taiwan currently on a visit to the mainland held talks with some members of the Taiwan Democratic Self-Government League and the All-China Federation of Taiwan Compatriots in Beijing on 24 July. League Chairman Cai Zimin and federation President Lin Liyun briefed the delegation from Taiwan on the political life of Taiwan compatriots residing on the mainland. The guests from Taiwan also briefed their hosts on political, economic, and educational developments in Taiwan.

The compatriots from both sides of the Taiwan Strait also exchanged views on the current problems of contacts between the two sides. The guests from Taiwan political circles said that they will strive to work for the realization of a situation in which Taiwan compatriots on the mainland may travel freely to Taiwan to visit their relatives.

The meeting was held in a friendly atmosphere. Both hosts and guests expressed their belief that China's reunification will not be very far away and that China's future status in the world will be a very important one.

### Taiwan's Diplomatic Efforts Criticized

HK2607150190 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 25 Jul 90 p 5

[Article by Li Xiangbin (2621 6272 2430): "Being Content To Exercise Sovereignty over a Part of the Country Can Hardly Last Long and Only Unification Has Good Prospects"]

[Text] To delay the unification of the motherland and maintain the status of exercising sovereignty over a part of the country, the Taiwan authorities have recently begun a new trick in which they try to internationalize the Taiwan problem.

The Taiwan authorities know only too well that openly opposing peaceful unification and splitting the motherland will definitely not win people's hearts; that such an approach, if gone wrong, would put them in deep trouble. So, with deliberate intention they have started seeking the "support" of the international community and to internationalize and legalize the Taiwan problem in an attempt to maintain the present status of the two shores being separated from each other.

To realize this design they have recently been propagandizing the so-called "sharing of sovereignty" and "separate holding of ruling power." They demand not only independent "national defense power" but also completely independent "diplomatic power" in a vain attempt to achieve equal international status with the PRC Government, which is the sole representative of China.

According to international law, a country can only have one legal government representing it. Sovereignty is the supreme power with which a country can independently and with initiative handle domestic and foreign affairs. Sovereignty is the fundamental nature of a state, and state sovereignty absolutely cannot be split. The Taiwan authorities' suggestion mentioned above intends to divide the sovereignty of our country into two, which in effect amounts to the practice of "one country, two governments," "one China and one Taiwan," and "the independence of Taiwan."

"Sharing of sovereignty" and "separate holding of ruling power" within a country are strictly defined by law. For specific historical reasons, as in the case of minority nationality settlements, and based on fundamental state interests, regional autonomy can be instituted, for example the establishment of autonomous regions and counties. The autonomy is subject to the unified leadership of the central government. There is to be no complete autonomy, for that would amount to independence. The Taiwan authorities argued cunningly: Their "one country, two governments" is only based on "separate holding of ruling power" and not "the separation of sovereignty." If so, why would they not sit down and have peace talks with the CPC? Why would they not first resolve the issue of unification?

The Taiwan authorities declared: "Now is the time for resolving internationally the problem of China." This shows plainly Taiwan's determination to internationalize the Taiwan problem. But this attempt cannot be realized.

First, the 1.1 billion Chinese will not let them. Whoever dares go against this wish will be the "public enemy" of the Chinese people.

Secondly, the Taiwan authorities' attempt to change their international status with "pecuniary diplomacy" is basically useless. Although Taiwan may at some time and in some places realize its goal with a small country, ultimately it cannot extricate itself from the global diplomatic straits or change its international image. Buying "support" with money violates the basic principle of international exchanges, and the prospect of such "support" is dim. In the end, Taiwan will bring humiliation on itself and achieve nothing.

Judging from the development of the international situation, the international community has publicly recognized the PRC as the sole legal Chinese government. This fact leaves nothing to argue about. Saudi Arabia established diplomatic ties with our country on 21 July, and Indonesia will resume formal diplomatic ties with us on 8 August. Singapore official sources have announced that Singapore will establish diplomatic relations with our country within this year. There are other countries that have indicated their new diplomatic directions after years of consideration.

Harsh international reality shows that Taiwan authorities' "money diplomacy" is petering out and without

prospect. Scanning the five continents and four seas, how many are accompanying you?

The Taiwan authorities have also based the hope of internationalization on two impractical illusions.

The first illusion: taking the "double-track" policy of some countries as a panacea, which it hopes will bring it back to the international political arena. "Double-track" policy did bring some temporary benefits to Taiwan. But it cannot resolve fundamental problems. The policy can at best prolong Taiwan's last gasping breath and make it an "illegal household" in the mansion of the international community.

The second illusion: fantasizing a replay in China of what happened in East Europe last year. East European countries have their own historical characteristics, while Asia belongs to the Asian people. Basing the mainland policy, which concerns the fate of 20 million Taiwan people, on foreign powers' subversion and infiltration in mainland China is as hazardous as building high-rise blocks on sand. Gentlemen, please wake up from your daydreams and do not become a vassal to foreign powers. On the contemporary international scene, where regional economic groups are entrenching themselves and trade protectionism is rising, it is more practical for them to start thinking about their own future.

By the end of the 1990's, Hong Kong and Macao will return to the fold of the motherland. A new pattern in which China and the Chinese people are all unified is emerging before us. Which side are the Taiwan authorities on in this unprecedented and great undertaking, and where will they go? All these deserve careful consideration.

### **PRC, Taiwan Entrepreneurs Meet in Beijing**

*OW2707034290 Beijing in Mandarin to Taiwan  
0400 GMT 25 Jul 90*

[Text] More than 200 entrepreneurs from both sides of the Taiwan Strait held a friendly meeting at Beijing Hotel yesterday evening to discuss prospects of expanding trade and economic relations between the people of the two sides. Entrepreneurs of the two sides also have sent their representatives to take part in a chess tournament for Mainland and Taiwan entrepreneurs.

At the meeting, Mr (Chen Yanfa), board chairman of the (Chente) Company, Limited, presented a souvenir to the China Council for Promoting Peaceful Reunification. Council Chairman Sun Yueqi also gave Mr (Chen Yanfa) a souvenir. Artists of enterprises in Beijing demonstrated their skills at calligraphy and Chinese painting for the Taiwan compatriots.

The meeting was sponsored by the China Council for Promoting Peaceful Reunification and the Xinhua Travel Group Corporation.

### **Chen Xitong Meets Taipei Olympic Official**

*OW2607145290 Beijing XINHUA in English  
1359 GMT 26 Jul 90*

[Text] Beijing, July 26 (XINHUA)—Chen Xitong, president of the 11th Asian Games Organizing Committee, met here today Li Qinghua, vice president and secretary-general of the Chinese Taipei Olympic Committee.

Chen and Li had an extensive talk on the hosting of the Asian Games and the urban construction in Beijing and Taipei.

Chen said the coming Asian Games will be a success as it has won support from all countries and regions in Asia.

He also expressed his hope that athletes from Taiwan will win more gold medals at the Beijing Asian Games.

### **Draft Law on 'Private' Relations Made Public**

OW2707000790 Taipei International Service  
in English 0200 GMT 26 Jul 90

[Text] The Justice Ministry formally made public the first complete draft of the proposed law governing private relations between the two sides of the Taiwan Strait on Wednesday [25 July]. The ministry says that it will forward the draft to the cabinet's Mainland Affairs Task Force by the end of July.

Altogether the law has 77 articles, focusing on a large number of issues, including marriage and divorce, collection of inheritances, and trade between the two sides of the strait. The law also sets standards governing any disputes which could occur due to the increasing number of private contacts between the peoples of Taiwan and mainland China.

### **Cabinet Approves Tariff Reduction on 8 Items**

OW2607203590 Taipei CNA in English 1537 GMT  
26 Jul 90

[Text] Taipei, July 26 (CNA)—Tariffs cuts on eight items, including special-grade beef, were approved Thursday [26 July] by the cabinet for a year, starting Aug. 1.

The tariff reduction package was jointly presented by the Economics and Finance Ministries in response to an agreement reached between the Republic of China and the United States during their beef trade consultations in mid-June.

In line with the agreement, Taipei will lower tariffs for special-grade beef from the current 23.8 new Taiwan [NT] dollars per kilogram to 20 NT dollars per kilogram.

The tariff rates for sausage and other processed meats will also be lowered from the current 40 percent to 30 percent.

During the one-year effective period of the tariff reduction package, tariffs for the eight items could be further lowered if further adjustments were made in the annual revisions of the tariffs, the ministries said.

The lower tariff rates for the eight items would remain unchanged, in case the tariff rates in general were raised.

### **Buying Uranium From Mainland Ruled Out**

OW2607180890 Taipei CNA in English 1514 GMT  
26 Jul 90

[Text] Taichung, Central Taiwan, July 26 (CNA)—The Republic of China's state-run Taiwan Power Co. [Taipower] Thursday [26 July] ruled out buying uranium from the China mainland, saying it would be "too sensitive" in light of the current situation across the Taiwan Strait.

Taipower Vice President Chen Jung-po, answering questions at the Taiwan provincial assembly, stressed that it was unfeasible for his company to buy mainland uranium because it might violate the nuclear non-proliferation treaty, even though Taipei was not a signatory to the document.

Chen Chung-hsin, director of the Taiwan Supply Bureau, told the assembly that his bureau had been approached more than a month ago by a mainland company which offered to sell uranium to Taipower and asked the bureau to act as a go-between.

In view of the government's current policy toward the mainland and other considerations, Chen said his bureau simply informed the government and Taipower of the offer and did not respond to the mainland company.

### **Premier Vows To Promote Public Construction**

OW2707035190 Taipei CNA in English 0237 GMT  
27 Jul 90

[Text] Taipei, July 27 (CNA)—Restoring financial order, promoting public construction and stimulating investment willingness were the government's top economic priorities, Premier Hao Po-tsun said Thursday [26 July].

The premier made his remarks at the weekly cabinet meeting after hearing a report on the Republic of China's economy by Shirley Kuo, chairwoman of the Council for Economic Planning and Development.

Hao, who came to office on June 1, expressed concern over some of the 14 major public construction projects, especially transportation projects, which were lagging behind schedule. He instructed government agencies to see to it that the projects caught up with their schedules.

The premier also asked the Council for Economic Planning and Development and other agencies to replan the development of the national territory as soon as possible so that funds could be set aside in the fiscal 1992 budget to implement the plans.

### **Aviation Accord With Austria Ratified**

OW2607181090 Taipei CNA in English 1547 GMT  
26 Jul 90

[Text] Taipei, July 26 (CNA)—The Republic of China-Austria aviation agreement, signed in Vienna last month, was approved by the cabinet in a meeting Thursday [26 July].

Lauda Air, designated by Austria under the agreement, is expected to begin three flights weekly before the end of the year.

The soon-to-be-established EVA Airways of the Republic of China will provide Taipei-Vienna flight service from June 1991.

Communications Minister Clement C.P. Chang hailed the signing of the accord with Vienna.

Inked by the directors of the two nations' international airports, the accord provided a new "model" for the Republic of China as it sought to expand air links with countries with which it did not maintain diplomatic relations, Chang added.

As of now the Republic of China has signed bilateral aviation accords with 19 countries and areas.

**END OF**

**FICHE**

**DATE FILMED**

30 July 1990



